

\$9,201,816
CITY OF WAUKESHA, WISCONSIN
WATERWORKS SYSTEM REVENUE BONDS, SERIES 2019B
DATED MARCH 27, 2019

TABLE OF CONTENTS

1. Legal Opinion of Quarles & Brady LLP
2. Closing Certificate
3. Resolution Authorizing the Issuance and Sale of Up to \$9,201,816 Waterworks System Revenue Bonds, Series 2019B, and Providing for Other Details and Covenants With Respect Thereto
 - A. Certificate of Compliance with Open Meeting Law Public Notice Requirements
 - B. Excerpts of Minutes of Meeting of the Common Council of the City of Waukesha Held on March 19, 2019
 - C. Resolution
4. Additional Bonds Certificate
5. No Arbitrage Certificate
6. Form 8038-G
7. Financial Assistance Agreement
8. Bond Specimen
9. Miscellaneous



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March 27, 2019

Re: City of Waukesha, Wisconsin (the "Municipality")
Waterworks System Revenue Bonds, Series 2019B, dated March 27, 2019 (the
"Bonds")

WE HEREBY CERTIFY that, as bond counsel to the Municipality, we have examined a certified transcript of proceedings relating to the authorization and issuance of the Bonds, the law and such other documents furnished us as we deem necessary to give this opinion, including:

- (a) The Financial Assistance Agreement dated as of March 27, 2019 by and between the Municipality and the State of Wisconsin (the "State") by the Department of Natural Resources and the Department of Administration (the "Financial Assistance Agreement"); and
- (b) Resolution Authorizing the Issuance and Sale of Up to \$9,201,816 Waterworks System Revenue Bonds, Series 2019B, and Providing for Other Details and Covenants With Respect Thereto adopted by the Common Council of the Municipality on March 19, 2019 (the "Resolution").

We have relied upon such transcript and documents as to the matters of fact stated therein without independent verification, and have assumed that the Financial Assistance Agreement is a valid and binding obligation enforceable in accordance with its terms as to parties other than the Municipality.

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion as of the date hereof and under existing law that:

1. The Municipality is a validly existing body corporate and politic and has the requisite power and authority under Section 66.0621, Wisconsin Statutes (the "Act"), to adopt the Resolution, perform the agreements on its part contained therein, to execute and deliver the Financial Assistance Agreement and to issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the Municipality and sold to the State.

3. Each of the Financial Assistance Agreement and the Bonds constitutes a legal, valid and binding obligation of the Municipality, enforceable against the Municipality in accordance with their respective terms (provided that the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity).

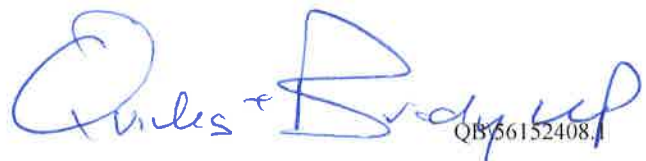
4. The Bonds are the valid and binding special obligations of the Municipality, payable solely from the income and revenue of the Waterworks System of the Municipality to be deposited in the Debt Service Fund provided for in the Resolution (the "Revenues"), on a parity with the Municipality's Waterworks System Revenue Bonds, Series 2013, dated May 22, 2013 and Waterworks System Revenue Bonds, Series 2018A, dated June 27, 2018, and senior to the Waterworks System Revenue Bond Anticipation Note, Series 2018, dated April 2, 2018. The Bonds, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit.

5. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Code on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes and for the Bonds not to be "private activity bonds". Failure to comply with certain of those requirements could cause the Bonds to become "private activity bonds" and could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Municipality has agreed to comply with all of those requirements. The opinions set forth in this paragraph are subject to the condition that the Municipality comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. Based on our review of the No Arbitrage Certificate executed by the Municipality with reference to the Bonds, the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code. The Bonds could become arbitrage bonds effective as of the date of their issuance if the Municipality or a person acting on behalf of the Municipality fails to comply with the arbitrage rebate requirements of the Code and the regulations thereunder.

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created under the Resolution or on the sufficiency of the Revenues.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.


QB 56152408.1

\$9,201,816
City of Waukesha, Wisconsin
Waterworks System Revenue Bonds, Series 2019B

CLOSING CERTIFICATE

Shawn N. Reilly, the Mayor, and Gina L. Kozlik, the City Clerk-Treasurer of the City of Waukesha, Waukesha County, Wisconsin (the "Municipality"), hereby certify as follows:

1. We are the duly qualified and acting Mayor and City Clerk-Treasurer of the Municipality and have been such at all times pertinent to the authorization and delivery of the "Waterworks System Revenue Bonds, Series 2019B" of the Municipality (the "Bonds").
2. We have executed and sealed the negotiable, fully-registered Bonds. The Bonds are in the aggregate principal amount of \$9,201,816, are dated March 27, 2019, and are numbered from 1 upward. The Bonds mature in installments of principal due on May 1 of each of the years 2020 through 2038, and bear interest at a rate of 1.980% per annum. We were duly authorized to execute the same.
3. Attached in the Closing Transcript is a true and complete copy of a resolution entitled: "Resolution Authorizing the Issuance and Sale of Up to \$9,201,816 Waterworks System Revenue Bonds, Series 2019B, and Providing for Other Details and Covenants With Respect Thereto" (the "Bond Resolution"). The Bond Resolution was duly adopted by the Common Council of the Municipality (the "Governing Body") on March 19, 2019. The Bond Resolution has not been repealed, amended or modified in any respect and remains in full force and effect today.
4. Attached in the Closing Transcript is a true and complete copy of the Certificate of Compliance with Open Meeting Law Public Notice Requirements with respect to the March 19, 2019 meeting of the Governing Body of the Municipality, evidencing compliance with Subchapter V of Chapter 19, Wisconsin Statutes.
5. Attached in the Closing Transcript is a true and complete copy of the part of the minutes of the March 19, 2019 meeting of the Governing Body wherein the Governing Body adopted the Bond Resolution.
6. Attached in the Closing Transcript is a true and complete copy of a sworn affidavit from an authorized representative of the official newspaper of the Municipality, in which a notice has been published pursuant to Section 893.77, Wisconsin Statutes, regarding the adoption of the Bond Resolution.
7. Attached in the Closing Transcript is a Specimen Bond. The signatures of Shawn N. Reilly, the Mayor, and Gina L. Kozlik, the City Clerk of the Municipality, are their respective true signatures, and the seal of the Municipality appearing on the Bonds is an accurate impression or facsimile of the seal of the Municipality.

8. Attached in the Closing Transcript is a true and complete copy of the Financial Assistance Agreement relating to the Bonds; said Financial Assistance Agreement has not been amended or modified in any respect and remains in full force and effect today.

9. The Municipality is a duly organized and existing municipal corporation of the State of Wisconsin.

10. There are no rules or resolutions in effect which require any officer or official of the Municipality, other than the Mayor and the City Clerk of the Municipality, to execute bonds of the Municipality.

11. Each meeting of the Governing Body or any committee of the Municipality at which the Bond Resolution was taken up was held at the place and time and called and notified in the manner routinely established by the Governing Body or such committee and proceeded in accordance with a written agenda; was notified to the public and news media and conducted in full compliance with the "open meeting" laws of the State of Wisconsin, and particularly Subchapter V, Chapter 19, Wisconsin Statutes; was held in a public, accessible place in the Municipality, with doors open at all times to the public; and no secret ballot was taken thereat; and no such meeting was commenced, subsequently convened in closed session and thereafter reconvened in open session, unless public notice of such subsequent open session was given at the same time and in the same manner as the public notice of the meeting convened prior to the closed session. All such meetings were fully lawful and in all respects in accordance with the rules of the Municipality. Each such meeting was a regular meeting or duly-called special meeting, held at the place in the Municipality, on the date and at the time and notified in the manner routinely established by rule of the Governing Body.

12. The meeting of the Governing Body was held on March 19, 2019, at which a quorum was present in person throughout. The Governing Body consists of 15 Alderpersons. There is currently one vacancy on the Governing Body. At such meeting, the Bond Resolution was introduced by one of the Governing Body members in accordance with routinely established procedures of the Governing Body (all Governing Body members having full copies thereof in advance and adequate time to read and examine prior to adoption, and no member objecting); and, on motion duly made and seconded, duly adopted by the unanimous affirmative vote of the members present, upon an aye or no vote duly recorded in the Governing Body minutes.

13. The City Clerk-Treasurer of the Municipality has recorded a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in a separate record book as required by law. This record has been available for public inspection during normal business hours at the City Clerk-Treasurer's office in the Municipality and no person was denied the right to inspect or duplicate it.

14. We have reviewed the Additional Bonds Certificate, No Arbitrage Certificate, the Bond Resolution and the Form 8038-G, all appearing in the Closing Transcript, and to the best of our information and belief, all of the statements made in each respective document are true and correct.

15. No litigation is pending or, to our knowledge, threatened (i) to restrain or enjoin the issuance or delivery of any of the Bonds, or (ii) in any way contesting or affecting the validity of the Bonds or the Bond Resolution.

16. There is no litigation pending or, to our knowledge, threatened against the Municipality or involving any of the property or assets under the control of the Municipality that involves the possibility of any judgment or uninsured liability which may result in any material adverse change in the business, properties, assets or in the condition, financial or otherwise, of the Municipality or the Waterworks System.

17. Neither the corporate existence nor boundaries of the Municipality nor the title of its present or former officers to their respective offices is being contested, and no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded. No petition has been filed requesting that the Bonds not be issued.

18. Based on our inquiry, information and belief, no part of the funds of the Municipality or the Waterworks System derived from the issuance and sale of the Bonds shall inure to the benefit of or be distributable to any official of the Waterworks System or of the Municipality, except for the lawful payment or compensation for services rendered and its lawful reimbursement of expenses incurred, and no loans shall be made, and no property or services shall be purchased or sold, leased or otherwise disposed of, to any such official as a result of the use of such funds by the Municipality or by the Waterworks System.

19. Based on our inquiry, information and belief, no official of the Waterworks System or of the Municipality has any private interest, direct or indirect, in any of the proceedings relating to the authorization, issuance and sale of the Bonds.

20. The Municipality is able to pay all of its current operating expenses in the usual course as they come due without need for special or exceptional tax levies.

21. The Bonds are payable only from and secured by a pledge of the income and revenues of the Waterworks System of the Municipality; and do not constitute an indebtedness of the Municipality within any constitutional or statutory limitation.

22. There are no obligations outstanding payable from a pledge of the income and revenues of the Waterworks System of the Municipality, other than the Municipality's Waterworks System Revenue Bonds, Series 2013, dated May 22, 2013, Waterworks System Revenue Bonds, Series 2018A, dated June 27, 2018, Waterworks System Revenue Bond Anticipation Note, Series 2018, dated April 2, 2018, and the Bonds.

23. The Municipality is not in default on any borrowed money obligation.

24. The Municipality has received a disbursement of Bond proceeds from the State on the date of this Certificate, representing the purchase price of the Bonds as provided in the Bond Resolution.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the Municipality as of March 27, 2019.



CITY OF WAUKESHA, WISCONSIN

By: Shawn N. Reilly
Shawn N. Reilly
Mayor

By: Gina L. Kozlik
Gina L. Kozlik
City Clerk-Treasurer

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW PUBLIC NOTICE REQUIREMENTS

I, Gina Kozlik, Clerk-Treasurer
(name) (title)
of City of Waukesha
(official name of municipality)

hereby certify that:

1. **Meeting Date.** On the 19th day of March, 2019 a
Common Council meeting was held commencing
 (County Board, Common Council, etc.)
 at 6:30 o'clock p.m. at City Hall.
 (location)

2. **Posting.** On the 15th day of March, 2019 at approximately 2 o'clock p.m., I posted or caused to be posted a notice setting forth the time, date, place and subject matter (including specific reference to the borrowing) of said meeting in the following public places (include any posting of the notice on the municipality's website and attach an extra sheet if necessary):

City Hall
Library
Website

AND/OR

Publication. The _____
(County, City, etc.)
caused a notice setting forth the time, date, place and subject matter (including specific
reference to the borrowing) of said meeting to be published on the ____ day of
_____, 20__ by the following news medium or media (attach an extra sheet if
necessary): _____

(If notice was published rather than posted, attach copy of published notice).

3. **Notification of Media.** On the 15th day of March 2019 at approximately 2 o'clock p.m., I communicated or caused to be communicated, the time, date, place and subject matter (including specific reference to the borrowing) of said meeting to those news media who have filed a written request for such notice, and to the official newspaper of the City or, if none exists, to a news medium (County, City, etc.) likely to give notice in the area.

4. **Open Meeting Law Compliance.** Said meeting was a regular meeting of the (regular, special, adjourned annual, etc.) Common Council which was called, noticed, held and (County Board, Common Council, etc.) conducted in open session in compliance with Subchapter V of Chapter 19 of the Wisconsin Statutes and any other applicable local rules and State statutes.


Name: Gina Kozlik
Title: Clerk-Treasurer

Attest:


Name: Kerri Roller
Title: Clerical Assistant



(Note: Questions regarding this form or open meeting law compliance generally should be directed to local counsel or Quarles & Brady LLP.)

Excerpts of Minutes of Meeting
of the
Common Council of the
City of Waukesha

A meeting of the Common Council of the City of Waukesha, Waukesha County, Wisconsin, was duly called, noticed, held and conducted in the manner required by the Common Council and the pertinent Wisconsin Statutes on March 19, 2019. The Mayor called the meeting to order at 6:30 p.m.

The following members were present: Ald. Terry Thieme, Ald. Eric Payne, Ald. Cassandra Rodriguez, Ald. Joe Pieper, Ald. Jack Wells, Ald. Daniel Manion, Ald. Vance Skinner, Ald. Kathleen Cummings, Ald. Steve Johnson, Ald. Dean Lemke, and Ald. Sarah Wilke. Ald. Eric Helgestad

(Ald. Cory Payne has resigned and was not present at this meeting.)

The following members were absent: Ald. Peter Bartels & Ald. Aaron Perry.

(Here occurred business not pertinent to the financing.)

The following resolution was then moved by Ald. Terry Thieme and seconded by Ald. Eric Helgestad :

RESOLUTION NO. 11-19

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$9,201,816
WATERWORKS SYSTEM REVENUE BONDS, SERIES 2019B, AND PROVIDING FOR
OTHER DETAILS AND COVENANTS WITH RESPECT THERETO

(A true copy of the resolution as adopted is attached hereto and incorporated herein by reference.)

Upon the vote being taken, the following voted

Aye: Ald. Terry Thieme, Ald. Eric Payne, Ald. Cassandra Rodriguez, Ald. Joe Pieper, Ald. Jack Wells, Ald. Daniel Manion, Ald. Vance Skinner, Ald. Kathleen Cummings, Ald. Steve Johnson, Ald. Dean Lemke, and Ald. Sarah Wilke. Ald. Eric Helgestad

Nay:

Abstaining:

and the resolution was declared adopted.

(Here occurred business not pertinent to the financing.)

Upon motion made and seconded, the Common Council adjourned.

Certification of Minutes Excerpt

I, Gina L. Kozlik, am the duly qualified and acting City Clerk of the City of Waukesha, Waukesha County, Wisconsin.

I hereby certify that the foregoing is a true and correct excerpt of the official minutes of the Common Council meeting of March 19, 2019 with respect to Common Council action to authorize the issuance and sale of \$9,201,816 Waterworks System Revenue Bonds, Series 2019B.

I further certify that the attached is a true and correct copy of the resolution adopted by the Common Council at such meeting.

IN WITNESS WHEREOF, I have executed this Certificate in my official capacity on March 19, 2019.




Gina L. Kozlik
City Clerk

RESOLUTION NO. 11-19

RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$9,201,816 WATERWORKS SYSTEM REVENUE BONDS, SERIES
2019B, AND PROVIDING FOR OTHER DETAILS AND
COVENANTS WITH RESPECT THERETO

WHEREAS, the City of Waukesha, Waukesha County, Wisconsin (the "Municipality") owns and operates a waterworks system (the "System") which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, pursuant to a resolution adopted on May 7, 2013 (the "2013 Resolution"), the Municipality issued its Waterworks System Revenue Bonds, Series 2013, dated May 22, 2013 (the "2013 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted on June 19, 2018 (the "2018A Resolution"), the Municipality issued its Waterworks System Revenue Bonds, Series 2018A, dated June 27, 2018 (the "2018A Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, the 2013 Bonds and the 2018A Bonds shall collectively be referred to as the "Prior Bonds"; and

WHEREAS, the 2013 Resolution and the 2018A Resolution shall collectively be referred to as the "Prior Resolutions"; and

WHEREAS, certain improvements to the System are necessary to meet the needs of the Municipality and the residents thereof, consisting of the construction of a project (the "Project") assigned Safe Drinking Water Loan Program Project No. 7000-03 by the Department of Natural Resources, and as described in the Department of Natural Resources approval letter for the plans and specifications of the Project, or portions thereof, issued under Section 281.41, Wisconsin Statutes, assigned No. W-2016-0005 and dated February 9, 2016, No. W-2017-0045 and dated February 20, 2017, No. W-2018-0063 and dated February 26, 2018, No. W-2018-0135 and dated April 17, 2018 and No. W-2018-0282 and dated May 3, 2018 by the DNR; and

WHEREAS, under the provisions of Chapter 66, Wisconsin Statutes any municipality may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, operating and managing a public utility from the proceeds of bonds, which bonds are to be payable only from the revenues received from any source by such utility, including all rentals and fees; and

WHEREAS, the Municipality has heretofore issued its Note Anticipation Notes, Series 2016B, dated May 10, 2016 (the "Prior Notes") in part for the purpose of paying a portion of the costs of the Project; and

WHEREAS, pursuant to Section 66.0621(4)(b), Wisconsin Statutes any municipality may also issue new bonds to provide funds for the payment of any outstanding municipal obligations

issued for purchasing, acquiring, constructing, extending, adding to, improving, conducting, controlling, operating and managing a public utility; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell waterworks system revenue bonds of the Municipality payable solely from the revenues of the System, pursuant to the provisions of Section 66.0621, Wisconsin Statutes, to pay the cost of the Project and to refund the portion of the Prior Notes issued to pay costs of the Project; and

WHEREAS, the Prior Resolutions permit the issuance of additional bonds on a parity with the Prior Bonds upon certain conditions, and those conditions have been met;

WHEREAS, the Municipality also issued and has outstanding its Waterworks System Revenue Bond Anticipation Note, Series 2018, dated April 2, 2018 (the "2018 BAN");

WHEREAS, the resolution authorizing the 2018 BAN permits the issuance of additional bonds on a parity with the Prior Bonds and senior to the 2018 BAN upon certain conditions, and those conditions have been met; and

WHEREAS, other than the Prior Bonds and the 2018 BAN, no bonds or obligations payable from the revenues of the System are now outstanding.

NOW, THEREFORE, be it resolved by the Governing Body of the Municipality that:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by implication requires otherwise:

- (a) "Act" means Section 66.0621, Wisconsin Statutes;
- (b) "Bond Registrar" means the Municipal Treasurer which shall act as Paying Agent for the Bonds;
- (c) "Bonds" means the \$9,201,816 Waterworks System Revenue Bonds, Series 2019B, of the Municipality dated their date of issuance, authorized to be issued by this Resolution;
- (d) "Bond Year" means the twelve-month period ending on each May 1;
- (e) "Current Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits and maintenance of a replacement fund, but shall exclude depreciation, debt service, tax equivalents and capital expenditures;
- (f) "Debt Service Fund" means the Waterworks Revenue Bond and Interest Special Redemption Fund of the Municipality, which was created by an ordinance adopted September 22, 1953, and which shall be the "special redemption fund" as such term is defined in the Act;

(g) "Financial Assistance Agreement" means the Financial Assistance Agreement by and between the State of Wisconsin by the Department of Natural Resources and the Department of Administration and the Municipality pursuant to which the Bonds are to be issued and sold to the State, substantially in the form attached hereto and incorporated herein by this reference;

(h) "Fiscal Year" means the twelve-month period ending on each December 31;

(i) "Governing Body" means the Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;

(j) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from waterworks charges imposed by the Municipality, all payments to the Municipality under any service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with the Project;

(k) "Municipal Treasurer" means the Treasurer of the Municipality who shall act as Bond Registrar and Paying Agent;

(l) "Municipality" means the City of Waukesha, Waukesha County, Wisconsin;

(m) "Net Revenues" means the Gross Earnings of the System after deduction of Current Expenses;

(n) "Parity Bonds" means bonds payable from the revenues of the System other than the Bonds but issued on a parity and equality with the Bonds pursuant to the restrictive provisions of Section 11 of this Resolution;

(o) "Prior Notes" means the Municipality's Note Anticipation Notes, Series 2016B, dated May 10, 2016;

(p) "Project" means the Project described in the preamble to this Resolution. All elements of the Project are to be owned and operated by the Municipality as part of the System as described in the preamble hereto;

(q) "Record Date" means the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date;

(r) "System" means the entire waterworks system of the Municipality specifically including that portion of the Project owned by the Municipality and including all property of every nature now or hereafter owned by the Municipality for the extraction, collection, treatment, storage and distribution of water, including all improvements and extensions thereto made by the Municipality while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such waterworks system and including all appurtenances, contracts, leases, franchises, and other intangibles;

(s) "2013 Bonds" means the Municipality's Waterworks System Revenue Bonds, Series 2013, dated May 22, 2013;

(t) "2013 Resolution" means a resolution adopted by the Governing Body on May 7, 2013 authorizing the issuance of the 2013 Bonds;

(u) "2018 BAN" means the Municipality's Waterworks System Revenue Bond Anticipation Note, Series 2018, dated April 2, 2018;

(v) "2018A Bonds" means the Municipality's Waterworks System Revenue Bonds, Series 2018A, dated June 27, 2018; and

(w) "2018A Resolution" means a resolution adopted by the Governing Body on June 19, 2018 authorizing the issuance of the 2018A Bonds.

Section 2. Authorization of the Bonds and the Financial Assistance Agreement. For the purpose of paying the cost of the Project (including legal, fiscal, engineering and other expenses) and refunding the Prior Notes, there shall be borrowed on the credit of the income and revenue of the System up to the sum of \$9,201,816; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Safe Drinking Water Loan Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and the Mayor and City Clerk of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement.

The Governing Body hereby determines that the refunding of the Prior Notes is advantageous and necessary to the Municipality.

Section 3. Terms of the Bonds. The Bonds shall be designated "Waterworks System Revenue Bonds, Series 2019B" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 1.980% per annum; shall be issued in denominations of \$0.01 or any integral multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit B of the Financial Assistance Agreement and in the Bond form attached hereto as Exhibit A as it is from time to time adjusted by the State of Wisconsin based upon the actual draws made by the Municipality. Interest on the Bonds shall be payable commencing on November 1, 2019 and semiannually thereafter on May 1 and November 1 of each year. The Bonds shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

The schedule of maturities of the Bonds is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

Section 4. Form, Execution, Registration and Payment of the Bonds. The Bonds shall be issued as registered obligations in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

The Bonds shall be executed in the name of the Municipality by the manual signatures of the Mayor and City Clerk, and shall be sealed with its official or corporate seal, if any.

The principal of, premium, if any, and interest on the Bonds shall be paid by the Municipal Treasurer, who is hereby appointed as the Municipality's Bond Registrar.

Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America by the Bond Registrar. Payment of principal of the final maturity on the Bond will be payable upon presentation and surrender of the Bond to the Bond Registrar. Payment of principal on the Bond (except the final maturity) and each installment of interest shall be made to the registered owner of each Bond who shall appear on the registration books of the Municipality, maintained by the Bond Registrar, on the Record Date and shall be paid by check or draft of the Municipality and mailed to such registered owner at his or its address as it appears on such registration books or at such other address may be furnished in writing by such registered owner to the Bond Registrar.

Section 5. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Debt Service Fund hereinafter created and established, and shall be a valid claim of the registered owner or owners thereof only against such Debt Service Fund and the revenues of the System pledged to such fund, on a parity with the pledge granted to the holders of the Prior Bonds, and senior to the pledge granted to the owners of the 2018 BAN. Sufficient revenues are hereby pledged to said Debt Service Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and any Parity Bonds and the 2018 BAN as the same becomes due.

Section 6. Funds and Accounts. In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of and interest on, first, the Prior Bonds, the Bonds and Parity Bonds, and second, the 2018 BAN, the entire Gross Earnings of the System shall be deposited in the Revenue Fund, which money shall then be divided in the amounts and in the manner set forth in Section 7 among the following funds of the System which were created and established by an ordinance adopted September 22, 1953 and are hereby continued and shall be used solely for the following respective purposes:

- (a) Operation and Maintenance Fund, which shall be used for the payment of Current Expenses.
- (b) Debt Service Fund, which shall be used for the payment of the principal of, premium, if any, and interest on, first, the Prior Bonds, the Bonds and Parity Bonds, and second, the 2018 BAN, as the same becomes due. Within the Debt Service Fund, the following accounts have been established: (a) the Interest and Principal Account which shall be used solely for the payment of the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and Parity Bonds and the 2018 BAN as the same becomes due, and (b) a Reserve Account which may secure the payment of principal of and interest on future Parity Bonds to be secured thereby and is not pledged to the payment of principal of or interest on the Prior Bonds, the Bonds, or the 2018 BAN, and moneys in the Reserve

Account shall under no circumstances be used to pay principal of or interest on the Prior Bonds, the Bonds, or the 2018 BAN.

- (c) Depreciation Fund, which shall be used to provide a proper and adequate depreciation account for the System.
- (d) Surplus Fund, which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the Prior Bonds, the Bonds and Parity Bonds and the 2018 BAN when the Debt Service Fund shall be insufficient for such purpose, and thereafter shall be disbursed as follows: (i) at any time, to remedy any deficiency in any of the Funds provided in this Section 6 hereof; and (ii) money thereafter remaining in the Surplus Fund at the end of any Fiscal Year may be transferred to any of the funds or accounts created herein or to reimburse the general fund of the Municipality for advances made by the Municipality to the System and to pay amounts owed by the Municipality to the Bank under the Continuing Covenant Agreement relating to the 2018 BAN.

Section 7. Application of Revenues. After the delivery of the Bonds, the Gross Earnings of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

- (a) to the Operation and Maintenance Fund, in an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said Fund from prior deposits);
- (b) to the Debt Service Fund, for deposit into the Principal and Interest Account, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Prior Bonds, the Bonds, any Parity Bonds, and the 2018 BAN then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Prior Bonds, the Bonds and any Parity Bonds coming due during such Bond Year (after giving effect to available amounts in said Account from accrued interest, any premium or any other source), and for deposit into the Reserve Account, any amount required by a future resolution for bonds secured thereby;
- (c) to the Depreciation Fund, an amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the System; and
- (d) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required above have been completed.

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation Fund and the Surplus Fund shall be made monthly not later than the twentieth day of each month, and such transfer shall be applicable to monies on deposit in the Revenue Fund as of the last day of the month preceding. Any other transfers and deposits to any fund required or permitted by subsection (a) through (d) of this Section, except transfers or

deposits which are required to be made immediately or annually, shall be made on or before the tenth day of the month. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year. If the tenth day of any month shall fall on a day other than a business day, such transfer or deposit shall be made on the next succeeding business day.

It is the express intent and determination of the Governing Body that the amounts transferred from the Revenue Fund and deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Prior Bonds, the Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures, and to fund the Reserve Account as required in connection with any future bonds secured thereby.

Section 8. Deposits and Investments. The Debt Service Fund shall be kept apart from monies in the other funds and accounts of the Municipality and the same shall be used for no purpose other than the prompt payment of principal of and interest on, first, the Prior Bonds, the Bonds and any Parity Bonds, and next, the 2018 BAN as the same becomes due and payable. All monies therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34, Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes. The other funds herein created (except the Waterworks System SDWLP Project Fund) may be combined in a single account in a public depository selected in the manner set forth above and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Section 9. Service to the Municipality. The reasonable cost and value of services rendered to the Municipality by the System by furnishing waterworks services for public purposes shall be charged against the Municipality and shall be paid in monthly installments as the service accrues, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the revenues derived from the System; that is to say, out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. The reasonable cost and value of such service to the Municipality in each year shall be equal to an amount which, together with other revenues of the System, will produce in each Fiscal Year Net Revenues equivalent to not less than the annual principal and interest requirements on the Prior Bonds, the Bonds, any Parity Bonds, the 2018 BAN (exclusive of principal to be paid with proceeds of revenue bonds), and any other obligations payable from the revenues of the System then outstanding, times the greater of (i) 110% or (ii) the highest debt service coverage ratio required with respect to any obligations payable from revenues of the System then outstanding. However, such payment out of the tax levy shall be subject to (a) approval of the Public Service Commission, or successors to its function, if applicable, (b) yearly appropriations therefor, and (c) applicable levy limitations, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the Municipality to make any such appropriation over and above the reasonable cost and value of the services rendered to the Municipality and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 10. Operation of System; Municipality Covenants. It is covenanted and agreed by the Municipality with the owner or owners of the Bonds, and each of them, that the

Municipality will perform all of the obligations of the Municipality as set forth in the Financial Assistance Agreement.

Section 11. Additional Bonds. The Bonds are issued on a parity with the Prior Bonds as to the pledge of revenues of the System. No bonds or obligations payable out of the revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds. Parity Bonds may be issued only under the following circumstances:

- (a) Additional Parity Bonds may be issued for the purpose of completing the Project and for the purpose of financing costs of the Project which are ineligible for payment under the State of Wisconsin Safe Drinking Water Loan Program. However, such additional Parity Bonds shall be in an aggregate amount not to exceed 20% of the face amount of the Bonds; or
- (b) Additional Parity Bonds may also be issued if all of the following conditions are met:
 - (1) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all bonds outstanding payable from the revenues of the System, and on the bonds then to be issued, times the greater of (i) 1.10 or (ii) the highest debt service coverage ratio to be required with respect to the Additional Parity Bonds to be issued or any other obligations payable from the revenues of the System then outstanding. Should an increase in permanent rates and charges, including those made to the Municipality, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes of such computation shall include such additional revenues as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.
 - (2) The payments required to be made into the funds enumerated in Section 6 of this Resolution must have been made in full.
 - (3) The additional bonds must have principal maturing on May 1 of each year and interest falling due on May 1 and November 1 of each year.
 - (4) The proceeds of the additional bonds must be used only for the purpose of providing extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 12. Sale of Bonds. The sale of the Bonds to the State of Wisconsin Safe Drinking Water Loan Program for the purchase price of up to \$9,201,816 and at par, is ratified and confirmed; and the officers of the Municipality are authorized and directed to do any and all

acts, including executing the Financial Assistance Agreement and the Bonds as hereinabove provided, necessary to conclude delivery of the Bonds to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Bonds shall be paid upon requisition therefor as provided in the Financial Assistance Agreement, and the officers of the Municipality are authorized to prepare and submit to the State requisitions and disbursement requests in anticipation of the execution of the Financial Assistance Agreement and the issuance of the Bonds.

Section 13. Application of Bond Proceeds. The proceeds of the sale of the Bonds shall be deposited by the Municipality into a special fund designated as "Waterworks System SDWLP Project Fund." The Waterworks System SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Project and refunding expended proceeds of the Prior Notes as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the Waterworks System SDWLP Project Fund shall be disbursed within three (3) business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

Section 14. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and (b) this Resolution may be amended, in any respect, with a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the Municipality; provided, however, that no amendment shall permit any change in the pledge of revenues derived from the System or the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 15. Defeasance. When all Bonds have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The Municipality may discharge all Bonds due on any date by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the Municipality's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the Municipality's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for.

Section 16. Rebate Fund. Unless the Bonds are exempt from the rebate requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the Municipality shall establish and maintain, so long as the Bonds and any Parity Bonds are outstanding, a separate account to be known as the "Rebate Fund." The sole purpose of the Rebate Fund is to provide for the payment of any rebate liability with respect to the Bonds under the relevant provisions of the Code and the Treasury Regulations promulgated thereunder (the "Regulations"). The Rebate Fund shall be maintained by the Municipality until all required rebate payments with respect to the Bonds have been made in accordance with the relevant provisions of the Code and the Regulations.

The Municipality hereby covenants and agrees that it shall pay to the United States from the Rebate Fund, at the times and in the amounts and manner required by the Code and the Regulations, the portion of the "rebate amount" (as defined in Section 1.148-3(b) of the Regulations) that is due as of each "computation date" (within the meaning of Section 1.148-3(e) of the Regulations). As of the date of this Resolution, the provisions of the Regulations specifying the required amounts of rebate installment payments and the time and manner of such payments are contained in Sections 1.148-3(f) and (g) of the Regulations, respectively. Amounts held in the Rebate Fund and the investment income therefrom are not pledged as security for the Bonds or any Parity Bonds and may only be used for the payment of any rebate liability with respect to the Bonds.

The Municipality may engage the services of accountants, attorneys or other consultants necessary to assist it in determining the rebate payments, if any, owed to the United States with respect to the Bonds. The Municipality shall maintain or cause to be maintained records of determinations of rebate liability with respect to the Bonds for each computation date until six (6) years after the retirement of the last of the Bonds. The Municipality shall make such records available to the State of Wisconsin upon reasonable request therefor.

Section 17. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 14, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the Municipality, the Governing Body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the Municipality, its Governing Body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 18. Continuing Disclosure. The officers of the Municipality are hereby authorized and directed, if requested by the State of Wisconsin, to provide to the State of Wisconsin Safe Drinking Water Loan Program and to such other persons or entities as directed by the State of Wisconsin such ongoing disclosure regarding the Municipality's financial condition and other matters, at such times and in such manner as the Safe Drinking Water Loan Program may require, in order that securities issued by the Municipality and the State of Wisconsin satisfy rules and regulations promulgated by the Securities and Exchange


Commission under the Securities Exchange Act of 1934, as amended and as it may be amended from time to time, imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

Section 19. Redemption of the Prior Notes. The Governing Body hereby approves the call of \$4,835,000 in principal amount of the Prior Notes for redemption on April 1, 2019 or as soon as practicable thereafter. The Governing Body directs its officers and agents to take all action necessary to effect the redemption of the Prior Notes on April 1, 2019 and ratifies and approves all actions heretofore taken by the officers and agents of the Municipality to effectuate the redemption of the Prior Notes, including the distribution of the Notice attached hereto as Exhibit B.

Section 20. Conflicting Resolutions. All ordinances, resolutions (other than the Prior Resolutions), or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control as long as any Prior Bonds authorized by such resolution are outstanding.

Passed: March 19, 2019

Approved: March 19, 2019


Shawn N. Reilly
Mayor

Attest:

Gina L. Kozlik
City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED
NO. _____

UNITED STATES OF AMERICA
STATE OF WISCONSIN
WAUKESHA COUNTY
CITY OF WAUKESHA

REGISTERED
\$ _____

WATERWORKS SYSTEM REVENUE BOND, SERIES 2019B

Final
Maturity Date

May 1, 2038

Date of
Original Issue

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN
PROGRAM

FOR VALUE RECEIVED the City of Waukesha, Waukesha County, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, solely from the fund hereinafter specified, the principal sum of an amount not to exceed _____ DOLLARS (\$_____) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2020 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 1.980% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on November 1, 2019.

The principal amount evidenced by this Bond may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2020 in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at One and 980/1000ths percent (1.980%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Schedule A.

Both principal and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America. On the final maturity date, principal of this Bond shall be payable only upon presentation and surrender of this Bond at the office of the Municipal Treasurer. Principal hereof (except the final maturity) and interest hereon shall be payable by electronic transfer or by check or draft dated on or before the applicable payment date and mailed from the office of the Municipal Treasurer to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

The Bonds shall not be redeemable prior to their maturity, except with the consent of the registered owner.

This Bond is transferable only upon the books of the Municipality kept for that purpose at the office of the Municipal Treasurer, by the registered owner in person or its duly authorized attorney, upon surrender of this Bond, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Municipal Treasurer, duly executed by the registered owner or its duly authorized attorney. Thereupon a replacement Bond shall be issued to the transferee in exchange therefor. The Municipality may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes. This Bond is issuable solely as a negotiable, fully-registered bond, without coupons, and in denominations of \$0.01 or any integral multiple thereof.

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Waterworks System of the Municipality and refunding obligations of the Municipality issued for that purpose, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted March 19, 2019, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$9,201,816 Waterworks System Revenue Bonds, Series 2019B, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Waterworks System of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Waterworks System Revenue Bonds, Series 2013, dated May 22, 2013 and Waterworks System Revenue Bonds, Series 2018A, dated June 27, 2018, and senior to the Municipality's Waterworks System Revenue Bond Anticipation Note, Series 2018, dated April 2, 2018, as to the pledge of income and revenues of the Utility. This Bond does not constitute an indebtedness of said Municipality within the meaning of any constitutional or statutory debt limitation or provision.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said Municipality from the operation of its Utility has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by the signatures of its Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF WAUKESHA,
WISCONSIN

(SEAL)

By: _____
Shawn N. Reilly
Mayor

By: _____
Gina L. Kozlik
City Clerk

COPY

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other identifying number of Assignee

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

Attorney to transfer said Bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature of this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature(s) guaranteed by

SCHEDULE A

\$9,201,816

CITY OF WAUKESHA, WISCONSIN
WATERWORKS SYSTEM REVENUE BONDS, SERIES 2019B

<u>Amount of Disburse- ment</u>	<u>Date of Disbursement</u>	<u>Series of Bonds</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 2020	\$403,630.08
May 1, 2021	411,621.96
May 1, 2022	419,772.07
May 1, 2023	428,083.56
May 1, 2024	436,559.61
May 1, 2025	445,203.50
May 1, 2026	454,018.52
May 1, 2027	463,008.09
May 1, 2028	472,175.65
May 1, 2029	481,524.73
May 1, 2030	491,058.92
May 1, 2031	500,781.89
May 1, 2032	510,697.37
May 1, 2033	520,809.17
May 1, 2034	531,121.20
May 1, 2035	541,637.39
May 1, 2036	552,361.82
May 1, 2037	563,298.58
May 1, 2038	574,451.89

EXHIBIT B

NOTICE OF CALL*

CITY OF WAUKESHA
WAUKESHA COUNTY, WISCONSIN
NOTE ANTICIPATION NOTES, SERIES 2016B
DATED MAY 10, 2016

NOTICE IS HEREBY GIVEN that the Notes of the above-referenced issue which mature on the date and in the amount; bear interest at the rate; and have a CUSIP No. as set forth below have been called for prior payment on April 1, 2019 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
05/01/2021	\$4,835,000**	3.00%	943080NL1

Upon presentation and surrender of said Notes to Associated Trust Company, National Association, Green Bay, Wisconsin, the registrar and fiscal agent for said Notes, the registered owners thereof will be paid the principal amount of the Notes plus accrued interest to the date of prepayment.

Said Notes will cease to bear interest on April 1, 2019.

By Order of the
Common Council
City of Waukesha
City Clerk

Dated _____

* To be provided to Associated Trust Company, National Association at least thirty-five (35) days prior to April 1, 2019. The registrar and fiscal agent shall be directed to give notice of such prepayment by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by The Depository Trust Company, to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to April 1, 2019 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.

**Represents a portion of the principal amount outstanding of this maturity.

\$9,201,816
City of Waukesha, Wisconsin
Waterworks System Revenue Bonds, Series 2019B

ADDITIONAL BONDS CERTIFICATE

The undersigned City Clerk-Treasurer of the City of Waukesha, Waukesha County, Wisconsin (the "City") hereby certifies, in connection with the issuance of the City's Waterworks System Revenue Bonds, Series 2019B, dated March 27, 2019 (the "Bonds"), that:

1. Pursuant to a resolution adopted on May 7, 2013 (the "2013 Resolution"), the City issued its Waterworks System Revenue Bonds, Series 2013, dated May 22, 2013 (the "2013 Bonds") and set certain conditions on the issuance of additional bonds on a parity with the 2013 Bonds (Section 11). Pursuant to a resolution adopted on June 19, 2018 (the "2018A Resolution"), the City issued its Waterworks System Revenue Bonds, Series 2018A, dated June 27, 2018 (the "2018A Bonds") and set certain conditions on the issuance of additional bonds on a parity with the 2018A Bonds (Section 11). Pursuant to a resolution adopted on March 6, 2018 (the "2018 Resolution"), the City issued its Waterworks System Revenue Bond Anticipation Note, Series 2018, dated April 2, 2018 (the "2018 BAN") and pursuant to the 2018 Resolution and the related Continuing Covenant Agreement dated as of April 2, 2018, set certain conditions on the issuance of additional bonds on a parity with the 2013 Bonds, the 2018A Bonds and senior to the 2018 BAN (Section 9(h) of the 2018 Resolution and Section 6.12 and 6.13 of the Continuing Covenant Agreement).

2. Such conditions are met in connection with the issuance of the Bonds as follows:

(a) The Net Revenues (as defined in the 2013 Resolution and 2018A Resolution) of the City's Waterworks System for Fiscal Year 2018 were in an amount at least equal to the maximum annual interest and principal requirements on the 2013 Bonds, the 2018A Bonds and the Bonds (\$690,400.11) times 1.10 (\$759,440.12), as follows:

Gross Earnings:	\$12,336,263
Less Current Expenses:	<u>4,942,160</u>
Net Revenues:	\$7,394,103

1.10 is the highest debt service coverage ratio to be required with respect to the 2013 Bonds, the 2018A Bonds, the Bonds and the 2018 BAN. The 2013 Bonds, 2018A Bonds and Bonds are the only bonds payable from the revenues of the Waterworks System currently outstanding.

(b) The payments required to be made into the funds enumerated in Section 6 of the 2013 Resolution and 2018A Resolution have been made in full.

(c) The Resolution authorizing the Bonds provides that the Bonds shall mature on May 1 of each year and that interest thereon is payable semiannually on May 1 and November 1 of each year.

(d) The proceeds of the Bonds will be used only for the purpose of providing extensions and improvement to the Waterworks System and refunding obligations issued for that purpose.

(e) After the issuance of the Bonds, as demonstrated on the attached calculations, the forecasted Net Revenues for each of the City's Fiscal Years 2019 through 2023 are projected to equal at least 110% of the maximum annual debt service on the 2013 Bonds, 2018A Bonds, Bonds, and 2018 BAN, provided that the 2018 BAN was assumed to amortize on a level debt service basis over a thirty (30) year period from the date of issuance thereof and the interest rate on the 2018 BAN was assumed to be the average of the interest rate on the 2018 BAN which was in effect on the last day of each of the calendar months since its issuance.

Dated March 27, 2019.

CITY OF WAUKESHA, WISCONSIN



Gina L. Kozlik
City Clerk-Treasurer

City of Waukesha - DEBT COVERAGE CALCULATION
WATER REVENUE BONDS
3/18/2019

	Baker Tilly 2016	Baker Tilly 2017	Baker Tilly 2018 - DRAFT	Budget 2019	Projections as of 3/18/2019 ^{1,2,3}		
					2020	2021	2022
Water System Revenues							
Sales of Water	\$ 10,713,114.00	\$ 10,479,783.00	\$ 11,319,091.00	\$ 11,255,883.00	\$ 11,087,045.00	\$ 10,976,175.00	\$ 10,866,413.00
Other Water Revenues	499,267.00	540,584.00	522,201.00	488,983.00	473,673.00	478,410.00	483,194.00
Interest Income	137,378.00	292,868.00	494,971.00	454,200.00	400,000.00	375,000.00	350,000.00
Total "Gross Earnings"	11,349,759.00	11,313,235.00	12,336,263.00	12,179,066.00	11,960,718.00	11,829,585.00	11,699,607.00
Water System Expenses							
Operation & maintenance	4,390,791.00	6,123,573.00	5,084,030.00	5,837,375.00	6,012,496.00	6,192,871.00	6,378,657.00
Total "Current Expenses"	4,390,791.00	6,123,573.00	5,084,030.00	5,837,375.00	6,012,496.00	6,192,871.00	6,378,657.00
"NET REVENUES"	\$ 6,958,968.00	\$ 5,189,662.00	A \$ 7,252,233.00	\$ 6,341,691.00	\$ 5,948,222.00	\$ 5,636,714.00	\$ 5,320,950.00

	Required Debt Cover	Maximum Debt Service (2020)			
		Prin & Int	Prin & Int	Prin & Int	Prin & Int
Water Revenue Debt Issues					
\$1,117,601, SDWLP, Series 2013	110%	67,516.89	67,516.89	67,516.89	67,516.89
\$32,800,000, Revenue BAN, Series 2018	110%	1,568,862.32	1,568,862.32	1,568,862.32	1,568,862.32
\$679,224, SDWLP, Series 2018A	110%	41,053.12	41,053.12	41,053.12	41,053.12
\$9,201,816, SDWLP, Series 2019	110%	581,830.10	581,830.10	581,830.10	581,830.10
Max Annual Debt Service		B 2,259,262.43	2,259,262.43	2,259,262.43	2,259,262.43
Net Revenues - Minimum Required		C 2,485,188.67	2,485,188.67	2,485,188.67	2,485,188.67
Net Revenues Excess or (Shortfall)		A - C 4,767,044.33	3,463,033.33	3,151,525.33	2,835,761.33
Net Revenues / Max Annual Debt Service		A / B 321.00%	280.70%	263.28%	235.52%
					221.34%

Notes:

- 1 - Sales of water. The most recent approved rate increase was effective 12/1/2017. Planned rate increases for future years (2020 & 2021) were not included in the projections as they have not been approved by the Water Commission, City Common Council or the Wisconsin Public Service Commission.
- 2 - Operation & maintenance projections assume a 3.0% annual increase from 2019-2023
- 3 - No future revenue debt is included in the projection years 2019 - 2023. Future versions of this computation will reflect any actual changes to the revenue debt requirements at those related times.

ANNUAL DEBT SERVICE SCHEDULE

** Maximum Debt Service is SHADED **

2/20/2019

		4928-04 SDWLP ¹ Waterworks System Rev \$1,117,601 Series 2013 Dated 5/22/2013	BAN Water Rev \$32,800,000 ³ Series 2018 Dated 4/2/2018	7000-02 SDWLP ¹ Water Rev \$679,774 Series 2018 Dated 6/27/2018	7000-03 SDWLP ⁴ Water Rev \$9,201,816 Series 2019 Dated 3/27/2019	Annual Debt Service Total	
1	2019	67,526.36	1,568,862.32	41,058.11	108,305.37	1,785,752.16	
2	2020	67,516.89	1,568,862.32	41,053.12	581,830.10	2,259,262.43	MAX Annual
3	2021	67,507.25	1,568,862.32	41,048.04	581,750.98	2,259,168.59	
4	2022	67,497.41	1,568,862.32	41,042.87	581,670.29	2,259,072.89	
5	2023	67,487.38	1,568,862.32	41,037.59	581,588.01	2,258,975.30	
6	2024	67,477.17	1,568,862.32	41,032.22	581,504.09	2,258,875.80	
7	2025	67,466.75	1,568,862.32	41,026.75	581,418.52	2,258,774.34	
8	2026	67,456.13	1,568,862.32	41,021.17	581,331.25	2,258,670.87	
9	2027	67,445.33	1,568,862.32	41,015.49	581,242.25	2,258,565.39	
10	2028	67,434.28	1,568,862.32	41,009.70	581,151.50	2,258,457.80	
11	2029	67,423.06	1,568,862.32	41,003.81	581,058.95	2,258,348.14	
12	2030	67,411.60	1,568,862.32	40,997.81	580,964.56	2,258,236.29	
13	2031	67,399.92	1,568,862.32	40,991.70	580,868.31	2,258,122.25	
14	2032	67,388.01	1,568,862.32	40,985.47	580,770.14	2,258,005.94	
15	2033	67,375.88	1,568,862.32	40,979.12	580,670.02	2,257,887.34	
16	2034	-	1,568,862.32	40,972.65	580,567.94	2,190,402.91	
17	2035	-	1,568,862.32	40,966.06	580,463.83	2,190,292.21	
18	2036	-	1,568,862.32	40,959.36	580,357.66	2,190,179.34	
19	2037	-	1,568,862.32	40,952.52	580,249.38	2,190,064.22	
20	2038	-	1,568,862.32	40,945.55	580,138.96	2,189,946.83	
21	2039	-	1,568,862.32	-	-	1,568,862.32	
22	2040	-	1,568,862.32	-	-	1,568,862.32	
23	2041	-	1,568,862.32	-	-	1,568,862.32	
24	2042	-	1,568,862.32	-	-	1,568,862.32	
25	2043	-	1,568,862.32	-	-	1,568,862.32	
26	2044	-	1,568,862.32	-	-	1,568,862.32	
27	2045	-	1,568,862.32	-	-	1,568,862.32	
28	2046	-	1,568,862.32	-	-	1,568,862.32	
29	2047	-	1,568,862.32	-	-	1,568,862.32	
Total		1,011,813.42	45,497,007.28	820,099.11	11,147,902.11	58,476,821.92	

¹ Project closed-out - final amort schedule.

² Project not closed-out.

³ Loan is a variable rate draw bond debt instrument with a total availability of \$32.8 million. The balance drawn to date is \$12,229,032 and it remains outstanding. Average interest rate for April 2018 - February 2019 is 2.5084%. For debt coverage requirements, net revenues must cover 110% of a 30-year amortization of the outstanding balance at the average annual interest rate.

⁴ New Loan at 1.980%, 19 principal payments, closing 3/27/2019, 1st principal 5/1/2020

\$9,201,816
City of Waukesha, Wisconsin
Waterworks System Revenue Bonds, Series 2019B

NO ARBITRAGE CERTIFICATE

The undersigned officers of the City of Waukesha, Waukesha County, Wisconsin (the "Municipality") hereby certify as follows with regard to the Municipality's issuance of up to \$9,201,816 Waterworks System Revenue Bonds, Series 2019B, dated March 27, 2019 (the "Bonds").

I. IN GENERAL

1.1 Authority. The undersigned are officers of the Municipality charged by law and a resolution adopted by the Common Council of the Municipality on March 19, 2019 authorizing the issuance of the Bonds (the "Bond Resolution") with responsibility for issuing the Bonds and are acting for and on behalf of the Municipality in executing this Certificate.

1.2 Nature of Certificate. This Certificate accompanies the transcript of proceedings for the issuance of the Bonds and describes the Municipality's reasonable expectations as of this date, regarding the amount and use of the proceeds of the Bonds (the "Bond Proceeds").

1.3 Date of Certificate. This Certificate is made as of the date of issue, that is, the date on which there is a physical delivery of some or all of the Bonds in exchange for an amount of the purchase price for the Bonds exceeding the lesser of \$50,000 or five percent of the issue price of the Bonds.

II. PURPOSE

2.1 Governmental Purpose. The Bonds are being issued for the governmental purpose of constructing improvements and extensions to the waterworks system (the "Waterworks System") of the Municipality, consisting of construction of a project (the "Project") assigned Safe Drinking Water Loan Program Project No. 7000-03 by the Department of Natural Resources, and as described in the Department of Natural Resources approval letter for the plans and specifications under Section 281.41 of the Wisconsin Statutes, assigned Number W-2016-0005 and dated February 9, 2016, Number W-2017-0045 and dated February 20, 2017, Number W-2018-0063 and dated February 26, 2018, Number W-2018-0135 and dated April 17, 2018 and Number W-2018-0282 and dated May 3, 2018 by the DNR, and refunding obligations of the Municipality issued for that purpose.

2.2 Issuance Costs. \$20,000 of the proceeds of the Bonds will be used to pay issuance costs with respect to the Bonds.

2.3 Refunding Issue. A portion of the proceeds in an amount not to exceed \$4,832,080.10 (the "Refunding Proceeds") is expected to be used to pay the principal and accrued interest of the Municipality's Note Anticipation Notes, Series 2016B, dated May 10, 2016 (the "Prior Notes") on April 1, 2019.

2.4 New Money Proceeds. The balance of the proceeds (the "New Money Proceeds") will be used to pay the costs of the Project and to pay administrative expenses related to the Project.

2.5 No Replacement Proceeds. The Bonds are not being issued to replace any proceeds of an earlier issue of governmental obligations that were not expended on the project for which such earlier issue was intended. Neither the Municipality or any related party of the Municipality has or is reasonably expected to have any monies (other than sale proceeds or investment proceeds of the Bonds) that (i) could be used for the governmental purposes for which the Bonds are being issued and (ii) are not reasonably expected to be used for other purposes.

2.6 Not a Tax Anticipation Note. The Bonds are not being issued in anticipation of taxes or other revenues, such as tolls, fees, grants or awards.

2.7 No Abusive Arbitrage Device. In connection with the issuance of the Bonds, the Municipality has not and will not engage in any transaction or series of transactions (i) enabling the Municipality to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations in any manner including, without limitation, by selling Bonds that would not otherwise be sold or selling more Bonds, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary to accomplish the governmental purposes of the Bonds. No device has been employed in connection with the issuance of the Bonds to obtain a material financial advantage (based on arbitrage) apart from savings attributable to lower interest rates.

2.8 No Other Obligations. There are no other obligations of the Municipality which (a) have been or will be sold within 15 days of the date of sale of the Bonds; (b) are sold pursuant to the same plan of financing together with the Bonds; and (c) are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

2.9 Covenant. The Municipality will not make or permit any use of the Bond Proceeds which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable income tax regulations (the "Regulations"), and hereby further covenants that it will observe and not violate the requirements of Section 148 of the Code or any applicable Regulations.

III. PROCEEDS AND FUNDS

3.1 Disposition of Proceeds. For tax purposes, the Bonds are considered issued on the date hereof because an amount of Bond Proceeds exceeding the lesser of \$50,000 or five percent (5%) of the Bond Proceeds is to be advanced on the date hereof pursuant to the Financial

Assistance Agreement to either (i) reimburse the Municipality for Project expenses previously paid in anticipation of the receipt of Bond Proceeds, (ii) pay, within three days of the date hereof, invoices previously received for Project costs or (iii) pay principal or interest on the Prior Notes. Subsequent advances of Bond Proceeds shall be made, in an aggregate amount which, after adding the first advance, does not exceed the face amount of the Bonds. Such subsequent advances will be applied either to (i) reimburse the Municipality for Project expenses previously paid in anticipation of the receipt of Bond Proceeds or (ii) pay Project invoices, as specified earlier, within three days of the date of receipt of such funds. Prior to the payment of Project invoices, the proceeds of the sale of the Bonds shall be deposited by the Municipality into a special fund designated as "Waterworks System SDWLP Project Fund." The Waterworks System SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Project and refunding any Prior Notes as described above and in the Financial Assistance Agreement relating to the Project dated March 27, 2019. Moneys in the Waterworks System SDWLP Project Fund shall be disbursed within three business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

3.2 Not an Overissuance. The total cost of the Project and the refunding of the Prior Notes is expected to be greater than the principal sum of the Bonds. The net amounts received by the Municipality allocable to the Project will not exceed the aggregate amount necessary for the Project and the refunding of the Prior Notes.

3.3 Project Expenditures; No Payments to Related Parties. All New Money Proceeds shall be used solely to pay costs of the Project. The Municipality reasonably expects that 100% of the New Money Proceeds will be allocated to expenditures on the Project during a 3-year period beginning on the date of delivery of the Bonds. No New Money Proceeds will be allocated to any payment to a related party to the payor.

3.4 Substantial Binding Obligations. The Municipality has incurred substantial binding obligations to third parties (which are not subject to a contingency within the control of the Municipality or of a related party of the Municipality) to expend at least 5% of the New Money Proceeds on the Project.

3.5 Work or Acquisition Will Proceed with Due Diligence. The Municipality expects that work on or acquisition of the Project will proceed with due diligence to completion, and that the allocation of the New Money Proceeds to expenditures on the Project will proceed with due diligence.

3.6 Project Not to be Sold. The Project will not be sold or otherwise disposed of, in whole or in part, prior to the last maturity of the Bonds.

3.7 Temporary Period for Refunding Proceeds; Not an Advance Refunding. The temporary period applicable to the Refunding Proceeds is 90 days, and all of the Prior Notes will be discharged, and all of the Refunding Proceeds will be expended, prior to the end of such temporary period. Since the Prior Notes will be redeemed within 90 days of the issuance of the Bonds, the Bonds are not advance refunding bonds with the meaning of Section 149(d) of the Code.

3.8 Payment of Issuance Expenses. The portion of the proceeds of the sale of the Bonds representing amounts used to pay the expenses of issuing the Bonds will be invested for the temporary period provided in Section 1.148-9(d)(2)(iv) of the Regulations, and expended during such period.

3.9 No Transferred Proceeds. There are no remaining proceeds (as defined in Section 1.148-1(b) of the Regulations) of the Prior Notes, so there will be no "transferred proceeds" with respect to the Bonds.

3.10 Debt Service Fund. Revenues of the Waterworks System collected for payment of principal and interest on the Bonds will be deposited when received into a sinking fund, as required by law, and amounts therein may only be used to pay principal and interest on the Bonds and other outstanding revenue bonds of the Municipality. The sinking fund, designated the "Debt Service Fund," for the Bonds is used primarily to achieve a proper matching of revenues and principal and interest payments within each year. Based on the debt service requirements of the Bonds and the expected dates of collection of revenues to pay such debt service, the Municipality expects that (i) the Debt Service Fund will be depleted at least once each year except for a reasonable carry-over amount which is not expected to exceed the greater of (a) the earnings from the investment of the Debt Service Fund for the immediately preceding bond year, or (b) 1/12 of the principal and interest payments on the Bonds and other outstanding revenue bonds for the immediately preceding bond year; (ii) amounts deposited in the Debt Service Fund will only be invested for a period less than 13 months (assuming a first-in-first-out method of accounting for deposits to the Debt Service Fund); and (iii) all earnings from the investment of the Debt Service Fund will be invested for a period not to exceed one year before being expended for payment of debt service on the Bonds. The Municipality has not established and does not expect to establish any other sinking fund or similar fund with respect to the Bonds. There are no other funds which are reasonably expected to be used to pay principal or interest on the Bonds or which are pledged to secure the Bonds.

3.11 No Bond Insurance. No premiums have been paid or will be paid to insure the Bonds.

3.12 No Reserve Fund. No reserve or replacement fund has been or will be established with regard to the Bonds.

3.13 Trade or Business. Not more than ten percent (10%) of either the proceeds of the Bonds or the Project or the proceeds of the Prior Notes is to be or has been used (directly or indirectly) in a trade or business carried on by any person (other than a governmental unit), and not more than ten percent (10%) of the payment of the Bonds is or the Prior Notes was (directly or indirectly): (i) secured by any interest in property used or to be used for a trade or business or payments in respect of such property; or (ii) derived from payments (whether or not to the Municipality) in respect of property or borrowed money, used or to be used for a trade or business. Not more than five percent (5%) of either the proceeds of the Bonds, the proceeds of the Prior Notes or the Project is to be or has been used (directly or indirectly) for any trade or business carried on by any person (other than a governmental unit) which is not related to any governmental use of such proceeds or of the Project, and not more than five percent (5%) of the payment of the principal of, or interest on, the Bonds or the Prior Notes is or was (directly or

indirectly): (a) secured by any interest in property used or to be used for a trade or business or payments in respect of such property; or (b) derived from payments (whether or not to the Municipality) in respect of property or borrowed money, used or to be used in a trade or business. None of the proceeds of the Bonds will be used nor have any proceeds of the Prior Notes been used (directly or indirectly) to make or finance loans to persons other than governmental units. All users of the Municipality's Waterworks System have access to and use the System, and pay charges for use of the System, on the same basis as all other members of the general public.

IV. REBATE

4.1 Rebate. The Municipality shall comply with the requirements of Section 148(f) of the Code, and applicable regulations thereunder, including Reg. §§ 1.148-1 through 1.148-11 as provided in the Bond Resolution. Because the Municipality will not invest the Bond Proceeds in anything other than a non-interest bearing checking account, and will disburse all Bond Proceeds received as described in Section 3.1 above, the Municipality will not earn a yield in excess of the Bond yield and is therefore anticipated to have no rebate liability. In addition, the Municipality reasonably anticipates that all Bond Proceeds will be disbursed within the time periods set forth in Section 148(f)(4) of the Code, and specifically that all Refunding Proceeds will be expended within six months of the date hereof. Further, the Municipality has covenanted in the Bond Resolution that, unless the Bonds are exempt from the rebate requirement of the Code, it will establish a Rebate Fund and calculate and pay to the United States any rebate amount payable with respect to the Bonds.

4.2 Records. The Municipality shall maintain or cause to be maintained records of such determinations for each computation period until six (6) years after payment in full of the Bonds and shall make such records available upon reasonable request therefor.

V. OTHER TAX MATTERS

5.1 No Federal Guarantee. Except as permitted under Section 149(b)(3) of the Code, (a) the payment of principal of or interest with respect to the Bonds will not be guaranteed, either directly or indirectly, in whole or in part, by the United States or any agency or instrumentality thereof, and (b) none of the proceeds of the Bonds will be (i) used in making loans the payment of principal or interest with respect to which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested directly or indirectly in federally insured deposits or accounts.

5.2 Not Hedge Bonds.

(a) None of the proceeds of the Bonds will be invested in nonpurpose investments having a substantially guaranteed yield for a period of four years or more.

(b) The Municipality expected on the date that the Prior Notes were issued that at least 85% of the spendable proceeds of the Prior Notes would be used to carry out the governmental purposes of the Prior Notes within a three-year period beginning on the date the Prior Notes were issued and not more than 50% of the proceeds of the Prior Notes were invested in nonpurpose investments having a substantially guaranteed yield for four years or more.

5.3 Reimbursement. Any expenditures already paid by the Municipality prior to the date hereof for which the Municipality is to be reimbursed with proceeds of the Bonds (a) were paid no earlier than 60 days prior to April 6, 2017 or June 19, 2018, the dates on which the Municipality adopted resolutions, true and correct copies of which are attached hereto in the Closing Transcript, stating its expectation to reimburse itself from the proceeds of the Bonds for any expenditures relating to the Project which it paid from other funds of the Municipality prior to receipt of the proceeds of the Bonds and were expenditures described in the respective resolution or (b) are preliminary expenditures relating to the Project (such as architectural, engineering, surveying, soil testing and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project, other than land acquisition, site preparation and similar costs incident to the commencement of construction) which are in an amount which is less than 20% of the aggregate issue price of the Bonds and any other issues that finance or are reasonably expected to finance the Project. The Project was placed in service in October, 2018. Proceeds of the Bonds in an amount equal to the amount of expenditures on the Project which have been paid from other funds of the Municipality prior to the date hereof are hereby allocated to the reimbursement of those original expenditures.

5.4 Average Maturity. The term of the Bonds is no longer than reasonably necessary for the governmental purposes of the issue. The weighted average maturity of the Bonds (10.681 years) does not exceed 120% of the average reasonably expected economic life of the Project.

5.5 Form 8038-G. To the best of the Municipality's knowledge and belief, the information contained in the Information Return (Form 8038-G) attached in the transcript is complete and accurate.

VI. CONCLUSION

6.1 Expectations are Reasonable. To the best of our knowledge and belief, there are no other facts, estimates or circumstances that would materially change any of the Municipality's expectations as to future events described in this Certificate, and said expectations are reasonable.

IN WITNESS WHEREOF, we have set our hands as of March 27, 2019.

CITY OF WAUKESHA, WISCONSIN

By: Shawn N. Reilly
Shawn N. Reilly
Mayor

By: Gina L. Kozlik
Gina L. Kozlik
City Clerk-Treasurer

Information Return for Tax-Exempt Governmental Bonds

(Rev. September 2018)

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to www.irs.gov/F8038G for instructions and the latest information.**Part I Reporting Authority**If Amended Return, check here ☐

1 Issuer's name City of Waukesha		2 Issuer's employer identification number (EIN) 39-6005642	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 201 Delafield Street	Room/suite 111	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Waukesha, WI 53188		7 Date of issue 03/27/2019	
8 Name of issue Waterworks System Revenue Bonds, Series 2019B		9 CUSIP number None	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Rich Abbott, Finance Director		10b Telephone number of officer or other employee shown on 10a 262-524-3560	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	
14	Public safety	14	
15	Environment (including sewage bonds)	15	
16	Housing	16	
17	Utilities	17	9,201,816
18	Other. Describe ►	18	
19a If bonds are TANs or RANs, check only box 19a		<input type="checkbox"/>	
b If bonds are BANs, check only box 19b		<input type="checkbox"/>	
20 If bonds are in the form of a lease or installment sale, check box		<input type="checkbox"/>	

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	05/01/2038	\$ 9,201,816	\$ 9,201,816	10.681 years	1.9798 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest	22	0
23	Issue price of entire issue (enter amount from line 21, column (b))	23	9,201,816
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	20,000
25	Proceeds used for credit enhancement	25	0
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	4,832,080
28	Proceeds used to refund prior taxable bonds. Complete Part V	28	0
29	Total (add lines 24 through 28)	29	4,852,080
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	4,349,736

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	2.09	years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded	N/A	years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	04/01/2019	
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	05/10/2016	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2018)

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35** 0
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions **36a** 0
- b** Enter the final maturity date of the GIC ► (MM/DD/YYYY) _____
- c** Enter the name of the GIC provider ► _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37** 0
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► ☐ and enter the following information:
- b** Enter the date of the master pool bond ► (MM/DD/YYYY) _____
- c** Enter the EIN of the issuer of the master pool bond ► _____
- d** Enter the name of the issuer of the master pool bond ► _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ► ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ► ☐
- 41a** If the issuer has identified a hedge, check here ► ☐ and enter the following information:
- b** Name of hedge provider ► _____
- c** Type of hedge ► _____
- d** Term of hedge ► _____
- 42** If the issuer has superintegrated the hedge, check box ► ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ► ☒
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ► ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ► ☒ and enter the amount of reimbursement ► \$4,832,080
- b** Enter the date the official intent was adopted ► (MM/DD/YYYY) 04/06/2017 ; 06/19/2018

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative

3/27/2019

Date

Shawn N. Reilly, Mayor

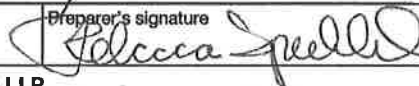
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Rebecca A. Speckhard

Preparer's signature



Date

3/27/2019

Check ☐ if self-employed

PTIN

P01294827

Firm's name ► Quarles & Brady LLP

Firm's EIN ► 39-0432630

Firm's address ► 411 East Wisconsin Avenue, Milwaukee, WI 53202

Phone no. (414) 277-5000

State of Wisconsin
Department of Natural Resources
Bureau of Community Financial Assistance
101 South Webster Street
PO Box 7921
Madison, Wisconsin 53707-7921

Financial Assistance Agreement
Safe Drinking Water Loan Program
Form 8700-214 rev 04/18

STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF WAUKESHA

\$9,201,816

FINANCIAL ASSISTANCE AGREEMENT

Dated as of March 27, 2019

This constitutes a **Financial Assistance Agreement** under the State of Wisconsin's Safe Drinking Water Loan Program. This agreement is awarded pursuant to ss. 281.59 and 281.61, Wis. Stats. The purpose of this agreement is to award financial assistance from the Safe Drinking Water Loan Program. This agreement also discloses the terms and conditions of this award.

This agreement is only effective when signed by authorized officers of the municipality and an authorized officer of the State of Wisconsin Department of Natural Resources and of the State of Wisconsin Department of Administration.

The Department of Natural Resources and the Department of Administration may rescind or terminate this agreement if the municipality fails to comply with the terms and conditions contained within. Any determination or certification made in this agreement by the Department of Natural Resources or the Department of Administration is made solely for the purpose of providing financial assistance under the Safe Drinking Water Loan Program.

Municipal Identification No. 67291
Safe Drinking Water Loan Program Project No. 7000-03

TABLE OF CONTENTS

ARTICLE I DEFINITIONS; RULES OF INTERPRETATION

Section 1.01.	Definitions	2
Section 1.02.	Rules of Interpretation	4

ARTICLE II REPRESENTATIONS

Section 2.01.	Representations of the SDWLP	6
Section 2.02.	Representations of the Municipality	6

ARTICLE III LOAN PROVISIONS

Section 3.01.	Loan Clauses	11
Section 3.02.	Loan Amortization	11
Section 3.03.	Type of Municipal Obligation and Security	11
Section 3.04.	Sale and Redemption of Municipal Obligations	12
Section 3.05.	Disbursement of Loan Proceeds	12
Section 3.06.	Remedies	13
Section 3.07.	Security for the Loan	14
Section 3.08.	Effective Date and Term	14

ARTICLE IV CONSTRUCTION OF THE PROJECT

Section 4.01.	Insurance	15
Section 4.02.	Construction of the Project	15
Section 4.03.	Performance Bonds	15
Section 4.04.	Completion of the Project	15
Section 4.05.	Payment of Additional Project Costs	16
Section 4.06.	No Warranty Regarding Condition, Suitability, or Cost of Project	16

ARTICLE V COVENANTS

Section 5.01.	Application of Loan Proceeds	17
Section 5.02.	Operation and Maintenance	17
Section 5.03.	Compliance with Law	17
Section 5.04.	Public Ownership	17
Section 5.05.	Establishment of Project Accounts; Audits	17
Section 5.06.	Records	18
Section 5.07.	Project Areas	18
Section 5.08.	Engineering Inspection	18
Section 5.09.	Tax Covenants	18
Section 5.10.	User Fee Covenant	18
Section 5.11.	Notice of Impaired System	19
Section 5.12.	Hold Harmless	19
Section 5.13.	Nondiscrimination Covenant	19
Section 5.14.	Employees	19
Section 5.15.	Adequate Funds	19
Section 5.16.	Management	19

Section 5.17.	Reimbursement	20
Section 5.18.	Unpaid User Fees	20
Section 5.19.	Rebates	20
Section 5.20.	Maintenance of Legal Existence	20
Section 5.21.	Wage Rate Requirements	20
Section 5.22.	Use of American Iron and Steel	20
Section 5.23.	Federal Single Audit	20
Section 5.24.	Federal Equivalency Project	21

ARTICLE VI MISCELLANEOUS

Section 6.01.	Notices	22
Section 6.02.	Binding Effect	22
Section 6.03.	Severability	22
Section 6.04.	Amendments, Supplements, and Modifications	22
Section 6.05.	Execution in Counterparts	22
Section 6.06.	Applicable Law	22
Section 6.07.	Benefit of Financial Assistance Agreement	23
Section 6.08.	Further Assurances	23
Section 6.09.	Assignment of Municipal Obligations	23
Section 6.10.	Covenant by Municipality as to Compliance with General Resolution	23
Section 6.11.	Termination	23
Section 6.12.	Rescission	23

EXHIBIT A	PROJECT BUDGET SHEET
EXHIBIT B	LOAN AMORTIZATION SCHEDULE
EXHIBIT C	LOAN DISBURSEMENT TABLE
EXHIBIT D	OPERATING CONTRACTS
EXHIBIT E	DISADVANTAGED BUSINESS ENTERPRISES CONTRACT UTILIZATION
EXHIBIT F	PROJECT MANAGER SUMMARY PAGE
EXHIBIT G	FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION
EXHIBIT H	LIST OF FEDERAL LAWS AND AUTHORITIES

WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated March 27, 2019, between the STATE OF WISCONSIN Safe Drinking Water Loan Program (the "SDWLP"), by the Department of Natural Resources (the "DNR") and the Department of Administration (the "DOA"), acting under authority of ss. 281.59 and 281.61, Wis. Stats., as amended (the "Act"), and the City of Waukesha, a municipality within the meaning of the Act, duly organized and existing under the laws of the State of Wisconsin (the "Municipality"); and

WHEREAS, the United States, pursuant to the Federal Safe Drinking Water Act Amendments of 1996 (the "Safe Drinking Water Act"), requires each state to establish a drinking water revolving loan fund to be administered by an instrumentality of the state before the state may receive capitalization grants for eligible projects from the United States Environmental Protection Agency (the "EPA"), or any successor which may succeed to the administration of the program established by the Safe Drinking Water Act; and

WHEREAS, the State of Wisconsin has, pursuant to ss. 281.59 and 281.61, Wis. Stats., established the SDWLP to be used in part for purposes of the Safe Drinking Water Act; and

WHEREAS, the State of Wisconsin has, pursuant to s. 25.43, Wis. Stats., established a State of Wisconsin Environmental Improvement Fund which includes the SDWLP; and

WHEREAS, DNR and DOA have the joint responsibility to provide SDWLP financial assistance to municipalities for the construction of eligible drinking water projects, all as set forth in the Act; and

WHEREAS, the Municipality has submitted to DNR an application for financial assistance (the "Application") for a project (the "Project"), DNR has approved the Application and determined the Application meets DNR criteria for Project eligibility established in applicable state statutes and regulations; and

WHEREAS, DNR has determined that the Municipality and the Project are not ineligible for financial assistance under s. 281.61(2g), Wis. Stats.; and

WHEREAS, DOA has determined the SDWLP will provide financial assistance to the Municipality by making a loan (the "Loan") pursuant to s. 281.59(9), Wis. Stats., for the purposes of that subsection; and

WHEREAS, the Municipality has pledged the security, if any, required by DOA, and the Municipality has demonstrated to the satisfaction of DOA the financial capacity to ensure sufficient revenues to operate and maintain the Project for its useful life and to pay debt service on the obligations it issues for the Project; and

WHEREAS, the Municipality certifies to the SDWLP that it has created a dedicated source of revenue for repayment of the Loan; and

WHEREAS, approval of facility plans or engineering reports and Plans and Specifications for the Project has been obtained by the Municipality from DNR, subject to the provisions of applicable State environmental standards set forth in law, rules, and regulations;

NOW, THEREFORE, in consideration of the promises and of the mutual representations, covenants, and agreements herein set forth, the SDWLP and the Municipality, each binding itself, its successors, and its assigns, do mutually promise, covenant, and agree as follows:

ARTICLE I
DEFINITIONS, RULES OF INTERPRETATION

Section 1.01. Definitions The following capitalized terms as used in this FAA shall have the following meanings:

"Act" means ss. 281.59 and 281.61, Wis. Stats., as amended.

"Application" means the written application of the Municipality dated June 29, 2018, for financial assistance under the Act.

"Bonds" means bonds or notes issued by the State pursuant to the General Resolution, all or a portion of the proceeds of which shall be applied to make the Loan.

"Business Day" means any day on which State offices are open to conduct business.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor provisions.

"DNR" means the State of Wisconsin Department of Natural Resources and any successor entity.

"DOA" means the State of Wisconsin Department of Administration and any successor entity.

"EPA" means the United States Environmental Protection Agency or any successor entity that may succeed to the administration of the program established by the Safe Drinking Water Act.

"FAA" means this Financial Assistance Agreement.

"Final Completion" means the Project construction is complete, DNR or agents thereof have certified that the Project was constructed according to DNR approved Plans and Specifications and that the facilities are operating according to design, and DNR has completed all necessary Project closeout procedures.

"Financial Assistance Agreement" means this Financial Assistance Agreement between the SDWLP by DNR, DOA, and the Municipality, as the same may be amended from time to time in accordance with Section 6.04 hereof.

"General Resolution" means the Clean Water Revenue Bond General Resolution adopted by the State of Wisconsin Building Commission, as such may from time to time be amended or supplemented by Series Resolutions or Supplemental Resolutions in accordance with the terms and provisions of the General Resolution.

"Loan" means the loan or loans made by the SDWLP to the Municipality pursuant to this FAA.

"Loan Disbursement Table" means the table, the form of which is included as Exhibit C hereto, with columns for inserting the following information:

- (a) amount of each disbursement,
- (b) date of each disbursement,
- (c) the series of Bonds from which each disbursement is made,
- (d) principal amounts repaid, and
- (e) outstanding principal balance.

"Municipal Obligation Counsel Opinion" means the opinion of counsel satisfactory to DOA, issued in conjunction with the Municipal Obligations, stating that:

(a) the FAA and the performance by the Municipality of its obligations thereunder have been duly authorized by all necessary actions by the governing body of the Municipality, and the FAA has been duly executed and delivered by the Municipality;

(b) the Municipal Obligations have been duly authorized, executed, and delivered by the Municipality and sold to the SDWLP;

(c) each of the FAA and the Municipal Obligations constitutes a legal, valid, and binding obligation of the Municipality, enforceable against the Municipality in accordance with its respective terms (provided that enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that its enforcement may also be subject to the exercise of judicial discretion in appropriate cases);

(d) the Municipal Obligations constitute special obligations of the Municipality secured as to payment of principal, interest, and redemption price by the pledged revenues as set forth therein;

(e) interest on the Municipal Obligations is not included in gross income of the owners thereof for federal income taxation purposes under existing laws, regulations, rulings, and judicial decisions;

(f) the Municipal Obligations are not "arbitrage bonds" within the meaning of Section 148 of the Code and the arbitrage regulations; and

(g) the Municipal Obligations are not "private activity bonds" as defined in Section 141(a) of the Code.

"Municipal Obligation Resolution" means that action taken by the governing body of the Municipality authorizing the issuance of the Municipal Obligations.

"Municipal Obligations" means the bonds or notes issued and delivered by the Municipality to the SDWLP, a specimen copy of which is included in the Municipal Obligations transcript.

"Municipality" means City of Waukesha, a "local governmental unit" within the meaning of the Act, duly organized and existing under the laws of the State, and any successor entity.

"Parity Obligations" means the Municipality's \$1,117,601 Waterworks System Revenue Bonds, Series 2013, dated May 22, 2013; its \$684,275 Waterworks System Revenue Bonds, Series 2018A, dated June 27, 2018; and any other obligations issued on a parity with the Municipal Obligations pursuant to the restrictive provisions of Section 11 of the Municipal Obligation Resolution.

"Plans and Specifications" means the Project design plans and specifications assigned Nos. W-2016-0005, dated February 9, 2016; W-2017-0045, dated February 20, 2017; W-2018-0063, dated February 26, 2018; W-2018-0135, dated April 17, 2018; and W-2018-0282, dated May 3, 2018, that have been approved by DNR, as the same may be amended or modified from time to time in accordance with this FAA.

"Progress payments" means payments for work in place and materials or equipment that have been delivered or are stockpiled in the vicinity of the construction site. This includes payments for undelivered specifically manufactured equipment if: (1) designated in the specifications, (2) could not be readily utilized or diverted to another job, and (3) a fabrication period of more than 6 months is anticipated.

"Project" means the project assigned SDWLP Project No. 7000-03 by DNR, described in the Project Manager Summary Page (Exhibit F), and further described in the DNR approval letter(s) for the Plans and Specifications, or portions thereof, issued under s. 281.41, Wis. Stats.

"Project Costs" means the costs of the Project that are eligible for financial assistance from the SDWLP under the Act, which are allowable costs under the Regulations, which have been incurred by the Municipality, an estimate of which is set forth in Exhibit A hereto and made a part hereof.

"Regulations" means chs. NR 166, NR 809, and NR 811, Wis. Adm. Code, the regulations of DNR, and ch. Adm. 35, Wis. Adm. Code, the regulations of DOA, adopted pursuant to and in furtherance of the Act, as such may be adopted or amended from time to time.

"Safe Drinking Water Act" means the federal Safe Drinking Water Act, 42 U.S.C. 300f to 300j-26.

"SDWLP" means State of Wisconsin Safe Drinking Water Loan Program, established pursuant to ss. 281.59 and 281.61, Wis. Stats., and managed and administered by DNR and DOA.

"Series Resolution" or "Supplemental Resolution" shall have the meaning set forth in the General Resolution.

"State" means the State of Wisconsin.

"Substantial Completion" means the date on which construction of the Project is sufficiently complete in accordance with the contract documents so that the owner can occupy and utilize the Project for its intended use.

"Trustee" means the trustee appointed by the State pursuant to the General Resolution and any successor trustee.

"Use of American Iron and Steel" means the requirements for using American iron and steel as mandated under EPA's Drinking Water State Revolving Fund programs.

"User Fees" means fees charged or to be charged to users of the Project or the Water System of which the Project is a part pursuant to the Water Rates or otherwise.

"Water Diversion Permit" means a DNR permit issued to the Municipality under s. 30.18(2), Wis. Stats., to divert water from a stream or lake in Wisconsin.

"Water Rates" means a charge or system of charges levied on users of a water system for the user's proportional share of the revenue requirement of a water system which consists of operation and maintenance expenses, depreciation, taxes, and return on investment.

"Water System" means all structures, conduits, and appurtenances by means of which water is delivered to consumers, except piping and fixtures inside buildings served and service pipes from buildings to street mains.

Section 1.02. Rules of Interpretation Unless the context clearly indicates to the contrary, the following rules shall apply to the context of this FAA:

- (a) Words importing the singular number shall include the plural number and vice versa, and one gender shall include all genders.
- (b) All references herein to particular articles or sections are references to articles or sections of this FAA.
- (c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this FAA, nor shall they affect its meaning, construction, or effect.

(d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms as used in this FAA refer to the FAA in its entirety and not the particular article or section of this FAA in which they appear. The term "hereafter" means after and the term "heretofore" means before the date of delivery of this FAA.

(e) All accounting terms not otherwise defined in this FAA have the meanings assigned to them in accordance with generally accepted accounting principles, and all computations provided for herein shall be made in accordance with generally accepted accounting principles.

ARTICLE II
REPRESENTATIONS

Section 2.01. Representations of the SDWLP The SDWLP represents and warrants as follows:

- (a) The State is authorized to issue the Bonds in accordance with the Act and the General Resolution and to use the proceeds thereof to provide funds for the making of the Loan to the Municipality to undertake and complete the Project.
- (b) The SDWLP has complied with the provisions of the Act and has full power and authority to execute and deliver this FAA, consummate the transactions contemplated hereby, and perform its obligations hereunder.
- (c) The SDWLP is not in violation of any of the provisions of the Constitution or laws of the State which would affect its powers referred to in the preceding paragraph (b).
- (d) Pursuant to ss. 281.59 and 281.61, Wis. Stats., the SDWLP is authorized to execute and deliver the FAA, and to take actions and make determinations that are required of the SDWLP under the terms and conditions of the FAA.
- (e) The execution and delivery by the SDWLP of this FAA and the consummation of the transactions contemplated by this FAA shall not violate any indenture, mortgage, deed of trust, note, agreement, or other contract or instrument to which the State is a party, or by which it is bound, or to the best of the SDWLP's knowledge, any judgment, decree, order, statute, rule, or regulation applicable to the SDWLP; all consents, approvals, authorizations, and orders of governmental or regulatory authorities that are required for the consummation of the transactions contemplated thereby have been obtained.
- (f) To the knowledge of the SDWLP, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the SDWLP, or, to the knowledge of the SDWLP, any basis therefor, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or which, in any way, could adversely affect the validity of this FAA or any agreement or instrument to which the State is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.
- (g) The Project is on the DNR funding list for the 2019 state fiscal year.

Section 2.02. Representations of the Municipality The Municipality represents, covenants, and warrants as follows:

- (a) The Municipality possesses the legal municipal form of a city under ch. 62, Wis. Stats. The Municipality is located within the State and is a "municipality" within the meaning of the Act, duly organized and existing under the laws of the State, and has full legal right, power, and authority to:
 - (1) conduct its business and own its properties,
 - (2) enter into this FAA,
 - (3) adopt the Municipal Obligation Resolution,
 - (4) issue and deliver the Municipal Obligations to the SDWLP as provided herein, and
 - (5) carry out and consummate all transactions contemplated by each of the aforesaid documents.
- (b) The Municipality is in compliance with its Water Diversion Permit (if any).

(c) With respect to the issuance of the Municipal Obligations, the Municipality has complied with the Municipal Obligation Resolution and with all applicable laws of the State.

(d) The governing body of the Municipality has duly approved the execution and delivery of this FAA and the issuance and delivery of the Municipal Obligations in the aggregate principal amount of \$9,201,816, and has authorized the taking of any and all action as may be required on the part of the Municipality and its authorized officers to carry out, give effect to, and consummate the transactions contemplated by each of the foregoing.

(e) This FAA and the Municipal Obligations have each been duly authorized, executed, and delivered, and constitute legal, valid, and binding obligations of the Municipality, enforceable in accordance with their respective terms.

(f) To the knowledge of the Municipality, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the Municipality, or, to the knowledge of the Municipality, any basis therefor:

(1) affecting the creation, organization, or existence of the Municipality or the title of its officers to their respective offices;

(2) seeking to prohibit, restrain, or enjoin the execution of this FAA or the issuance or delivery of the Municipal Obligations;

(3) in any way contesting or affecting the validity or enforceability of the Municipal Obligation Resolution, the Municipal Obligations, this FAA, or any agreement or instrument relating to any of the foregoing or used or contemplated for use in the consummation of the transactions contemplated by this FAA; or

(4) wherein an unfavorable decision, ruling, or finding could adversely affect the transactions contemplated hereby or by the Municipal Obligation Resolution or the Municipal Obligations.

(g) The Municipality is not in any material respect in breach of or in default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree, or any agreement or other instrument to which the Municipality is a party, or by which it or any of its properties is bound, and no event has occurred that, with the passage of time, the giving of notice, or both, could constitute such a breach or default. The execution and delivery of this FAA, the issuance and delivery of the Municipal Obligations, the adoption of the Municipal Obligation Resolution, and compliance with the respective provisions thereof shall not conflict with, or constitute a breach of or default under, any applicable law or administrative regulation of the State or of the United States, any applicable judgment or decree, or any agreement or other instrument to which the Municipality is a party, or by which it or any of its property is bound.

(h) The Municipal Obligations constitute validly-issued, legally-binding special obligations of the Municipality secured as set forth therein.

(i) The resolutions of the Municipality accepting the Loan and the Municipal Obligation Resolution have been duly adopted by the Municipality and remain in full force and effect as of the date hereof.

(j) The Municipality has full legal right and authority, and all necessary permits, licenses, and approvals (other than such permits, licenses, easements, or approvals which are not, by their nature, obtainable prior to Substantial Completion of the Project), required as of the date hereof to

own the Project, to carry on its activities relating thereto, to undertake and complete the Project, and to carry out and consummate all transactions contemplated by this FAA.

(k) The Municipality represents that it has not made any commitment or taken any action that shall result in a valid claim for any finders' or similar fees or commitments in respect to the issuance and sale of the Municipal Obligations and the making of the Loan under this FAA.

(l) The Project is eligible under s. 281.61(2), Wis. Stats., for financing from the SDWLP, and the Project Costs are equal to or in excess of the principal amount of the Municipal Obligations. The Project has satisfied the requirements of the State Environmental Review Procedures contained in the Regulations. Portions of the Project that are ineligible for financing from the SDWLP are listed within the Project Manager Summary Page attached hereto as Exhibit F. The Municipality intends the Project to be eligible under the Act throughout the term of this FAA.

(m) All amounts shown in Exhibit A of this FAA are costs of a Project eligible for financial assistance from the SDWLP under the Act. All proceeds of any borrowing of the Municipality that have been spent and which are being refinanced with the proceeds of the Loan made hereunder have been spent on eligible Project Costs. All Project Costs are reasonable, necessary, and allocable by the Municipality to the Project under generally accepted accounting principles. None of the proceeds of the Bonds shall be used directly or indirectly by the Municipality as working capital or to finance inventory, as opposed to capital improvements.

(n) The Project is in compliance with all applicable federal, state, and local laws and ordinances (including rules and regulations) relating to zoning, building, safety, and environmental quality. The Municipality has complied with and completed all requirements of DNR necessary to commence construction of the Project prior to the date hereof. The Municipality intends to proceed with due diligence to complete the Project pursuant to Section 4.04 hereof.

(o) The Municipality does not intend to lease the Project or enter into a long-term contract for operation of the Project except as set forth in Exhibit D.

(p) The Municipality shall not take or omit to take any action which action or omission shall in any way cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the General Resolution.

(q) The Municipality has not taken and shall not take any action, and presently knows of no action that any other person, firm, or corporation has taken or intends to take, that would cause interest on the Municipal Obligations to be includable in the gross income of the owners of the Municipal Obligations for federal income tax purposes. The representations, certifications, and statements of reasonable expectation made by the Municipality as referenced in the Municipal Obligation Counsel Opinion and No Arbitrage Certificate are hereby incorporated by this reference as though fully set forth herein.

(r) Other than (1) "preliminary expenditures" as defined in Treas. Regs. 26 CFR 1.150-2 in an amount not exceeding 20% of the principal amount of the Municipal Obligations, or (2) a "de minimis" amount as defined in Treas. Regs. 26 CFR 1.150-2 in an amount not exceeding the lesser of \$100,000 or 5% of the principal amount of the Municipal Obligations, all of the proceeds of the Bonds loaned to the Municipality (other than refunding proceeds, if any) shall be used for Project Costs paid by the Municipality subsequent to a date which is 60 days prior to the date on which the Municipality adopted a reimbursement resolution pursuant to Treas. Regs. 26 CFR 1.150-2 stating its intent to reimburse other funds of the Municipality used to finance the Project, or subsequent to the issuance date of the Municipal Obligations.

- (s) The Municipality represents that it has satisfied all the applicable requirements in ss. 281.61(3), (4), (5) and (8m), Wis. Stats., and ch. NR 166, Wis. Adm. Code.
- (t) The Municipality has adopted a rate, charge, or assessment schedule that will generate annually sufficient revenue to pay the principal of and interest on the Municipal Obligations.
- (u) The Municipality is in substantial compliance with all conditions, requirements, and terms of financial assistance previously awarded through any federal construction grants program and the SDWLP.
- (v) The Municipality has met all terms and conditions contained within and has received DNR approval for the Municipality's Plans and Specifications for the Project described in the definitions hereof.
- (w) The Municipality represents that it has submitted to DNR a bid tabulation for the Project with a recommendation to DNR for review and concurrence. The actual Substantial Completion date of the Project was October 26, 2018.
- (x) The Municipality acknowledges that s. 281.59(11)(b), Wis. Stats., and the General Resolution provide that if the Municipality fails to repay the Loan when due, the State shall recover amounts due the SDWLP by deducting those amounts from any State payments due the Municipality.

This means that the following State payments would have been subject to this deduction:

	Transportation	State-Shared	Total
2017	\$3,149,192.62	\$1,512,661.32	\$4,661,853.94
2018	\$3,621,571.51	\$1,513,024.46	\$5,134,595.97

The amount of State payments anticipated for this year, among others, and as changed or modified from time to time, that are subject to this deduction are:

2019	\$3,913,245.90	\$1,523,788.51	\$5,437,034.41
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These are not the entire amounts of State aid distributed to the Municipality. Other State aid is subject to intercept on failure of the Municipality to make full Loan payments due the SDWLP.

The Municipality acknowledges that ss. 281.59(11)(b) and 70.60, Wis. Stats., and the General Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the SDWLP by adding a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located.

Further, in the event that the Municipality would become eligible to receive State payments, s. 281.59(11)(b), Wis. Stats., and the General Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the SDWLP by deducting those amounts from any State payments due the Municipality.

(y) The Municipality acknowledges that the State reserves the right upon default by the Municipality hereunder to have a receiver appointed to collect User Fees from the operation of the Municipality's Water System or, in the case of a joint utility system, to bill the users of the Municipality's Water System directly.

(z) The representations of the Municipality in the Application are true and correct as of the date of this FAA and are incorporated herein by reference as if fully set forth in this place.

(aa) There has been no material adverse change in the financial condition or operation of the Municipality or the Project since the submission date of the Application.

(bb) The Municipality submitted a water rate application to the Public Service Commission. This water rate application is for Water Rates that shall generate sufficient revenues, together with other funds available to the Municipality, to pay all costs of operating and maintaining the facilities of the Municipality's entire Water System, in accordance with this FAA. The Municipality implemented the Water Rates upon the Wisconsin Public Service Commission's approval of the rate order.

ARTICLE III
LOAN PROVISIONS

Section 3.01. Loan Clauses

- (a) Subject to the conditions and in accordance with the terms of this FAA, the SDWLP hereby agrees to make the Loan and the Municipality agrees to accept the Loan. As evidence of the Loan made to the Municipality, the Municipality hereby agrees to sell to the SDWLP Municipal Obligations in the aggregate principal amount of \$9,201,816. The SDWLP shall pay for the Municipal Obligations in lawful money of the United States, which shall be disbursed as provided in this FAA.
- (b) Prior to disbursement, Loan proceeds shall be held by the SDWLP or by the Trustee for the account of the SDWLP. Earnings on undisbursed Loan proceeds shall be for the account of the SDWLP. Loan proceeds shall be disbursed only upon submission by the Municipality of disbursement requests and approval thereof as set forth in Section 3.05 hereof.
- (c) The Loan shall bear interest at the rate of one and 980/1000ths percent (1.980%) per annum, and interest shall accrue and be payable only on Loan proceeds actually disbursed from the date of disbursement until the date such amounts are repaid.
- (d) The Municipal Obligation shall include the Loan Disbursement Table (Exhibit C). The actual dates of disbursements shall be reflected as part of the Municipal Obligations. DOA shall make entries as each disbursement is made and as each principal amount is repaid; the SDWLP and the Municipality agree that such entries shall be mutually binding.
- (e) Upon Final Completion of the Project, DOA may request that the Municipality issue substitute Municipal Obligations in the aggregate principal amount equal to the outstanding principal balance of the Loan.
- (f) The Municipality shall deliver, or cause to be delivered, a Municipal Obligation Counsel Opinion to the SDWLP, concurrently with the delivery of the Municipal Obligations.

Section 3.02. Loan Amortization Principal and interest payments on the Loan (and on the Municipal Obligations evidencing the Loan) shall be due on the dates set forth in Exhibit B of this FAA. The payment amounts shown on Exhibit B are for informational purposes only and assume the full amount of the Loan is disbursed to the Municipality on March 27, 2019. It is understood that the actual amount of the Municipality's Loan payments shall be based on the actual date and amount of Loan disbursements for the Project. Notwithstanding the foregoing or anything in the Municipal Obligations, the Loan shall be for no longer than twenty (20) years from the date of this FAA and shall mature and be fully amortized not later than twenty (20) years after the original issue date of the Municipal Obligations. Repayment of principal on the Loan shall begin not later than twelve (12) months after the expected or actual Substantial Completion date of the Project.

Section 3.03. Type of Municipal Obligation and Security The Municipality's obligation to meet annual debt service requirements shall be a revenue obligation evidenced by issuance of revenue bonds pursuant to s. 66.0621, Wis. Stats. The security for the Municipality's obligation shall be a pledge of revenues to be derived from the Municipality's Water System, and the Municipality shall agree that if revenues from the Water System are insufficient to meet annual debt service requirements, the Municipality shall purchase water services in amounts sufficient to meet annual debt service requirements as provided in and set forth in Section 9 of the Municipal Obligation Resolution. The annual revenues net of all current expenses shall be equal to not less than the annual principal and interest requirements on the Municipal Obligations, any Parity Obligations, and any other debt obligations payable from the revenues of the Water System then outstanding (exclusive, for any bond anticipation notes, of principal to be paid with proceeds of bonds),

times the greater of (i) 110 percent or (ii) the highest debt service coverage ratio required with respect to any Parity Obligations, or any other debt obligations payable from the revenues of the Water System then outstanding. As of the date of this FAA, the required debt service coverage ratio is 110 percent; however, this percentage is subject to change as outlined in the prior sentence. The Loan is also secured as provided in Section 3.07 hereof.

Section 3.04. Sale and Redemption of Municipal Obligations

- (a) Municipal Obligations may not be prepaid without the prior written consent of the SDWLP. The SDWLP has sole discretion to withhold such consent.
- (b) The Municipality shall pay all costs and expenses of the SDWLP in effecting the redemption of the Bonds to be redeemed with the proceeds of the prepayment of the Municipal Obligations. Such costs and expenses may include any prepayment premium applicable to the SDWLP and any investment losses incurred or sustained by the SDWLP resulting directly or indirectly from any such prepayment.
- (c) Subject to subsection (a), the Municipality may prepay the Loan with any settlements received from any third party relating to the design or construction of the Project.
- (d) Prepayments of the Municipal Obligations shall be applied pro rata to all maturities of the Municipal Obligations.

Section 3.05. Disbursement of Loan Proceeds

- (a) Each disbursement request shall be delivered to DNR. Each request must contain invoices or other evidence acceptable to DNR and DOA that Project Costs for which disbursement is requested have been incurred by the Municipality.
- (b) The SDWLP, through its agents or Trustee, plans to make disbursements of Loan proceeds on a semimonthly basis upon approval of each disbursement request by DNR and DOA. Such approval by DNR and DOA may require adjustment and corrections to the disbursement request submitted by the Municipality. The Municipality shall be notified whenever such an adjustment or correction is made by DNR or DOA.
- (c) Disbursements made to the Municipality are subject to pre- and post-payment adjustments by DNR or DOA.
 - (1) If the Loan proceeds are not yet fully disbursed, and SDWLP funds were previously disbursed for costs not eligible for SDWLP funding or not eligible under this FAA, the SDWLP shall make necessary adjustments to future disbursements.
 - (2) If the Loan proceeds are fully disbursed, including disbursements for any costs not eligible for SDWLP funding or not eligible under this FAA, the Municipality agrees to repay to the SDWLP an amount equal to the non-eligible costs within 60 days of notification by DNR or DOA. The SDWLP shall then apply the amount it receives as a Loan prepayment.
- (d) The SDWLP or its agent shall disburse Loan proceeds only to the Municipality's account by electronic transfer of funds. The Municipality hereby covenants that it shall take actions and provide information necessary to facilitate these transfers.

(e) Disbursement beyond ninety-five percent (95%) of the principal amount of the Loan, unless otherwise agreed to by DNR and DOA pursuant to a written request from the Municipality, may be withheld until:

- (1) DNR is satisfied that the Project has been completed in accordance with the Plans and Specifications, and DNR has approved all change orders relating to the Project;
- (2) the Municipality certifies to DNR its acceptance of the Project from its contractors;
- (3) the Municipality certifies in writing to DNR its compliance with applicable Federal requirements (certification must be as prescribed on Exhibit G); and
- (4) DNR certifies in writing to DOA the Municipality's compliance with all applicable requirements of this FAA.

(f) IRS Regulation 1.148-6(d)(1)(iii) applies to project expenditures; it states, in part, "An issuer must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the project, if any, that is financed by the issue is placed in service".

Section 3.06. Remedies

(a) If the Municipality:

- (1) or any authorized representative is not complying with federal or state laws, regulations, or requirements relating to the Project, and following due notice by DNR the Project is not brought into compliance within a reasonable period of time; or
- (2) is not complying with or is in violation of any provision set forth in this FAA; or
- (3) is not in compliance with the Act or the Regulations;

then DNR may, until the Project is brought into compliance or the FAA non-compliance is cured to the satisfaction of DNR or DOA, impose one (1) or more of the following sanctions:

- (i) Progress payments or disbursements otherwise due the Municipality of up to 20% may be withheld.
- (ii) Project work may be suspended.
- (iii) DNR may request a court of appropriate jurisdiction to enter an injunction or afford other equitable or judicial relief as the court finds appropriate.
- (iv) Other administrative remedies may be pursued.

(b) If the Municipality fails to make any payment when due on the Municipal Obligations or fails to observe or perform any other covenant, condition, or agreement on its part under this FAA for a period of thirty (30) days after written notice is given to the Municipality by DNR, specifying the default and requesting that it be remedied, the SDWLP is provided remedies by law and this FAA. These remedies include, but are not limited to, the following rights:

- (1) Pursuant to s. 281.59(11)(b), Wis. Stats., DOA shall place on file a certified statement of all amounts due the SDWLP under this FAA. DOA may collect all amounts due the SDWLP by deducting those amounts from any State payments due the Municipality, or

add a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located under s. 70.60, Wis. Stats.

(2) The SDWLP may, without giving bond to the Municipality or anyone claiming under it, have a receiver appointed for the SDWLP's benefit of the Project and the Municipality's Water System and of the earnings, income, rents, issues, and profits thereof, with such powers as the court making such appointment shall confer. The Municipality hereby irrevocably consents to such appointment.

(3) In the case of a joint utility system, the SDWLP may bill the users of the Municipality's system directly.

(4) The SDWLP may declare the principal amount of the Municipal Obligations immediately due and payable.

(5) The SDWLP may enforce any right or obligation under this FAA, including the right to seek specific performance or mandamus, whether such action is at law or in equity.

(6) The SDWLP may increase the interest rate set forth in Section 3.01 hereof to the market interest rate as defined in the Act and Regulations.

Section 3.07. Security for the Loan In accordance with the terms of the Municipal Obligation Resolution:

(a) as security for the Loan hereunder, the Municipality hereby pledges the revenue to be derived from the Municipality's Water Rates (which is a dedicated source of revenue); and

(b) other than as already pledged to the outstanding Parity Obligations and the Municipality's Waterworks System Revenue Bond Anticipation Note, Series 2018, dated April 2, 2018, the Municipality shall not pledge the revenues, except as provided in Section 11 of the Municipal Obligation Resolution, to be derived from the Municipality's Water Rates or other revenues pledged under Section 3.07(a) above, to any person other than the SDWLP, unless the revenues pledged to such other person meet the highest debt coverage ratio then applicable to the Municipality.

Section 3.08. Effective Date and Term This FAA shall become effective upon its execution and delivery by the parties hereto, shall remain in full force and effect from such date, and shall expire on such date as the Municipal Obligations shall be discharged and satisfied in accordance with the provisions thereof.

ARTICLE IV
CONSTRUCTION OF THE PROJECT

Section 4.01. Insurance The Municipality agrees to maintain property and liability insurance for the Water System and Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of the Loan. The Municipality agrees to provide written evidence of insurance coverage to the SDWLP upon request at any time during the term of the Loan.

In the event the Water System or Project is damaged or destroyed, the Municipality agrees to use the proceeds from its insurance coverage either to repay the Loan or to repair or replace the Water System.

Section 4.02. Construction of the Project

(a) The Municipality shall construct, or cause to be constructed, the Project to Final Completion in accordance with the Application and the Plans and Specifications. The Municipality shall proceed with the acquisition and construction of the Project in conformity with law and with all applicable requirements of governmental authorities having jurisdiction with respect thereto, subject to such modifications of Plans and Specifications that alter the cost of the Project, use of space, scope, or functional layout, as may be previously approved by DNR.

(b) During construction of the Project, if the Municipality replaces a lead service line in the Water System that results in creation of a partial lead service line due to the private portion of the service line also containing lead, or containing galvanized iron or galvanized steel, the SDWLP shall not provide funding for any Project work on the city block on which the partial lead service line was created.

(c) If a lead service line, including both the public portion and the private portion of the line, cannot be replaced in its entirety all at one time, the Municipality may supply water filters to any affected homes to minimize any harmful effects. The Municipality should attempt to replace a service line in its entirety within 45 days of the start of construction on the lead service line.

Section 4.03. Performance Bonds The Municipality shall provide, or cause to be provided, performance bonds assuring the performance of the work to be performed under all construction contracts entered into with respect to the Project. All performance bonds required hereunder shall be issued by independent surety companies authorized to transact business in the State.

Section 4.04. Completion of the Project

(a) The Municipality agrees that it shall undertake and complete the Project for the purposes and in the manner set forth in this FAA and in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto. The Municipality shall, with all practical dispatch and in a sound and economical manner, complete or cause to be completed, the acquisition and construction of the Project, and do all other acts necessary and possible to entitle it to receive User Fees with respect to the Project at the earliest practicable time. The Municipality shall obtain all necessary approvals from any and all governmental agencies prior to construction which are requisite to the Final Completion of the Project.

(b) The Municipality shall notify DNR of the Substantial Completion of the Project. The Municipality shall cause to be prepared as-built plans for the Project at or prior to completion thereof.

(c) The Municipality shall take and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts diligently and in accordance with the terms of the contracts including, without limitation, the correcting of defective work.

(d) Upon Final Completion of the Project in accordance with the Plans and Specifications, the Municipality shall:

(1) certify to DNR its acceptance of the Project from its contractors, subject to claims against contractors and third parties;

(2) complete and deliver to DNR the completed Contract Utilization of Disadvantaged Business Enterprises (DBE) form attached hereto as Exhibit E of this FAA;

(3) prepare and deliver to DNR the completed Federal Requirements Compliance Certification attached hereto as Exhibit G of this FAA; and

(4) obtain all required permits and authorizations from appropriate authorities, if required, for operation and use of the Project.

Section 4.05. Payment of Additional Project Costs

(a) In the event of revised eligibility determinations, cost overruns, and amendments exceeding the Loan amount, the SDWLP may allocate additional financial assistance to the Project. The allocation of additional financial assistance may be in the form of a loan at less than the market interest rate, which is established pursuant to the Act and Regulations. The allocation of additional financial assistance shall depend upon availability of funds, pursuant to the Act and the Regulations.

(b) In the event that Loan proceeds are not sufficient to pay the costs of the Project in full, the Municipality shall nonetheless complete the Project and pay that portion of the Project Costs as may be in excess of available Loan proceeds, and shall not be entitled to any reimbursement therefor from the SDWLP, or the owners of any bonds, except from the proceeds of additional financing which may be provided by the SDWLP pursuant to an amended FAA or through a separate FAA.

Section 4.06. No Warranty Regarding Condition, Suitability, or Cost of Project Neither the SDWLP, DOA, DNR, nor the Trustee makes any warranty, either express or implied, as to the Project or its condition, or that it shall be suitable for the Municipality's purposes or needs, or that the proceeds of the Loan shall be sufficient to pay the costs of the Project. Review or approval of engineering reports, facilities plans, Plans and Specifications, or other documents, or the inspection of Project construction by DNR does not relieve the Municipality of its responsibility to properly plan, design, build, and effectively operate and maintain the Project as required by laws, regulations, permits, and good management practices. DNR or its representatives are not responsible for increased costs resulting from defects in the Plans and Specifications or other Project documents. Nothing in this section prohibits a Municipality from requiring more assurances, guarantees, or indemnity or other contractual requirements from any party performing Project work.

ARTICLE V COVENANTS

Section 5.01. Application of Loan Proceeds The Municipality shall apply the proceeds of the Loan solely for Project Costs.

Section 5.02. Operation and Maintenance After completion of the Project, the Municipality shall:

- (a) at all times operate the Project or otherwise cause the Project to be operated properly and in a sound and economical manner, including proper training of personnel;
- (b) maintain, preserve, and keep the Project or cause the Project to be maintained, preserved, and kept in good repair, working order, and condition; and
- (c) periodically make, or cause to be made, all necessary and proper repairs, replacements, and renewals so that at all times the operation of the Project may be properly conducted in a manner that is consistent with the Project performance standards contained in the Application and the requirements of the Water Diversion Permit (if any). The Municipality shall not, without the approval of DNR, discontinue operation of, or sell or otherwise dispose of, the Water System, except for portions of the Water System sold or otherwise disposed of in the course of ordinary repair and replacement of parts so long as the Loan is outstanding.

Section 5.03. Compliance with Law At all times during construction of the Project and operation of the Water System, the Municipality shall comply with all applicable federal, state, and local laws, ordinances, rules, regulations, permits, and approvals, and with this FAA, including, without limitation, the Act, the Regulations, and the Water Diversion Permit (if any).

Section 5.04. Public Ownership The Municipality shall at all times retain ownership of the Project and the Water System of which it is a part.

Section 5.05. Establishment of Project Accounts; Audits

- (a) The Municipality shall maintain Project accounts in accordance with generally accepted accounting principles (GAAP), including standards relating to the reporting of infrastructure assets and directions issued by the SDWLP. Without any request the Municipality shall furnish to DOA as soon as available, and in any event within one hundred eighty (180) days after the close of each fiscal year, a copy of the audit report for such year and accompanying GAAP-based financial statements for such period, as examined and reported by such independent certified public accountants of recognized standing selected by the Municipality and reasonably satisfactory to DOA, whose reports shall indicate that the accompanying financial statements have been prepared in conformity with GAAP and include standards relating to the reporting of infrastructure assets.
- (b) The Municipality shall maintain a separate account that reflects the receipt and expenditure of all SDWLP funds for the Project. All Loan proceeds shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs. The Municipality shall permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Loan, and shall produce, or cause to be produced, all records relating to any work performed under the terms of this FAA for examination at such times as may be designated by any of them or their authorized representatives, and shall permit extracts and copies of the Project records to be made by them or their authorized representatives, and shall fulfill information requests by them or their authorized representatives.

Section 5.06. Records The Municipality shall retain all files, books, documents, and records relating to construction of the Project for at least three years following the date of Final Completion of the Project, or for longer periods if necessary due to any appeal, dispute, or litigation. All other files and records relating to the Project shall be retained so long as this FAA remains in effect. As-built plans for the Project shall be retained for the useful life of the Project.

Section 5.07. Project Areas The Municipality shall permit representatives of DNR access to the Project and related records at all reasonable times, include provisions in all contracts permitting such access during construction and operation of the Water System, and allow extracts and copies of Project records to be made by DNR representatives.

Section 5.08. Engineering Inspection The Municipality shall provide competent and adequate inspection of all Project construction, under the direction of a professional engineer licensed in the State. The Municipality shall direct such engineer to inspect work necessary for the construction of the Project and to determine whether such work has been performed in accordance with the Plans and Specifications. Any such work not in accordance with the Plans and Specifications shall be remedied, unless such noncompliance is waived by DNR.

Section 5.09. Tax Covenants

(a) The Municipality covenants and agrees that it shall not take any action, or omit to take any action, which action or omission would result in the loss of the exclusion of the interest on any Municipal Obligations now or hereafter issued from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code or any successor provision.

(b) The Municipality shall not take any action, or omit to take any action, which action or omission would cause its Municipal Obligations to be "private activity bonds" within the meaning of Section 141(a) of the Code or any successor provision.

(c) The Municipality shall not directly or indirectly use, or permit the use of, any proceeds of the Bonds (or amounts replaced with such proceeds) or any other funds, or take any action, or omit to take any action, which use or action or omission would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code or any successor provision. The Municipality hereby further covenants to ensure that all amounts actually received by such Municipality from the SDWLP are advanced within three Business Days to the entity submitting the invoice (or to reimburse the Municipality) to which each amount relates, and that all amounts actually received by such Municipality from the SDWLP shall not be invested in any interest-bearing account.

(d) The Municipality shall not use (directly or indirectly) the proceeds of the Bonds in any manner that would constitute an "advance refunding" within the meaning of Section 149(d)(5) of the Code or any successor provision.

Section 5.10. User Fee Covenant

(a) The Municipality hereby certifies that it has adopted and shall charge User Fees with respect to the Project in accordance with applicable laws and the Act and in amounts such that revenues of the Municipality with respect to the Project shall be sufficient, together with other funds available to the Municipality for such purposes, to pay all costs of operating and maintaining the Project in accordance with this FAA and to pay all amounts due under this FAA and the Municipal Obligations.

(b) The Municipality covenants that it shall adopt and shall adequately maintain for the design life of the Project a system of User Fees with respect to the Project. The Municipality covenants that it shall, from time to time, revise and charge User Fees with respect to the Project such that the revenues and funds described in paragraph (a) shall be sufficient to pay the costs described in paragraph (a).

Section 5.11. Notice of Impaired System The Municipality shall promptly notify DNR and DOA in the case of: any material damage to or destruction of the Project or any part thereof; any actual or threatened proceedings for the purpose of taking or otherwise affecting by condemnation, eminent domain, or otherwise, all or a part of the Water System; or any action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or agency, or any other event which may impair the ability of the Municipality to construct the Project, operate the Water System, or set and collect User Fees as set forth in Section 5.10.

Section 5.12. Hold Harmless The Municipality shall save, keep harmless, and defend DNR and DOA, and all their officers, employees, and agents, against any and all liability, claims, and costs, of whatever kind and nature, for injury to or death of any person or persons and for loss or damage to any property occurring in connection with or in any way incident to or arising out of the construction, occupancy, use, service, operation, or performance of work in connection with the Project, or acts or omissions of the Municipality's employees, agents, or representatives.

Section 5.13. Nondiscrimination Covenant

(a) In connection with the Project, the Municipality agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but is not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Municipality agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provision of the nondiscrimination clause.

(b) The Municipality shall incorporate into all Project contracts which have yet to be executed the following provision: "In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant because of age, race, religion, color, handicap, sex, physical condition, developmental disability, or national origin. The contractor further agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor further agrees to take affirmative action to ensure equal employment opportunities for persons with disabilities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause."

Section 5.14. Employees The Municipality or its employees or agents are not employees or agents of the DNR or DOA for any purpose, including worker's compensation.

Section 5.15. Adequate Funds The Municipality shall have sufficient funds available to repay the Loan. The Municipality shall have sufficient funds available when construction of the Project is completed to ensure effective operation and maintenance of the Project for purposes constructed.

Section 5.16. Management The Municipality shall provide and maintain competent and adequate management, supervision, and inspection at the construction site to ensure that the completed work conforms with the Plans and Specifications. The Municipality shall furnish progress reports and such other information as DNR may require.

Section 5.17. Reimbursement Any payment made under the Loan to the Municipality in excess of the amount determined by final audit to be due the Municipality shall be reimbursed to DOA within 60 days after DNR or DOA provides a notice of overpayment.

Section 5.18. Unpaid User Fees The Municipality shall, to the fullest extent permitted by law, take all actions necessary to certify any unpaid User Fees to the county treasurer in order that such unpaid User Fees shall be added as a special charge to the property tax bill of the user.

Section 5.19. Rebates The Municipality agrees to pay to the SDWLP any refunds, rebates, credits, or other amounts received for Project Costs that have already been funded by the SDWLP. The SDWLP shall then apply the amount it receives as a Loan prepayment.

Section 5.20. Maintenance of Legal Existence

(a) Except as provided in par. (b), the Municipality shall maintain its legal existence and shall not dissolve or otherwise dispose of all or substantially all of its assets and shall not consolidate with or merge into another legal entity.

(b) A Municipality may consolidate with or merge into any other legal entity, dissolve or otherwise dispose of all of its assets or substantially all of its assets, or transfer all or substantially all its assets to another legal entity (and thereafter be released of all further obligation under this FAA and the Municipal Obligations) if:

- (1) the resulting, surviving, or transferee legal entity is a legal entity established and duly existing under the laws of Wisconsin;
- (2) such resulting, surviving, or transferee legal entity is eligible to receive financial assistance under the Act;
- (3) such resulting, surviving, or transferee legal entity expressly assumes in writing all of the obligations of the Municipality contained in this FAA and the Municipal Obligations and any other documents the SDWLP deems reasonably necessary to protect its environmental and credit interests; and
- (4) the SDWLP consents in writing to such transaction, which consent may be withheld in the absolute discretion of the SDWLP.

Section 5.21. Wage Rate Requirements The Municipality represents that it shall comply with Section 1450(e) of the Safe Drinking Water Act (41 USC 300j-9(e)), which requires that all laborers and mechanics employed by contractors and subcontractors funded directly by, or assisted in whole or in part with, funding under this Loan shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code.

Section 5.22. Use of American Iron and Steel The Municipality agrees to comply with requirements for Use of American Iron and Steel contained in Public Law 115-141 for products used in the Project that are made primarily of iron and/or steel.

Section 5.23. Federal Single Audit To the extent applicable, the Municipality shall comply with the audit requirements of OMB Circular A-133. The Municipality covenants that if, in a given calendar year, it receives \$750,000 or more of financial assistance that originated from any federal funds, the Municipality shall commission an audit made in accordance with OMB Circular A-133, or in accordance with the federal laws and regulations governing the SDWLP. The Federal Catalogue of Domestic Assistance number is 66.468 for water project disbursements funded with federal money.

Section 5.24. Federal Equivalency Project The Municipality covenants that the Project shall comply with federal requirements applicable to activities supported with federal funds, a list of which is included as Exhibit H to this FAA.

ARTICLE VI
MISCELLANEOUS

Section 6.01. Notices All notices, certificates, or other communications hereunder shall be sufficiently given, and shall be deemed given, when hand delivered or mailed by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below:

- (a) DEPARTMENT OF ADMINISTRATION
OFFICE OF CAPITAL FINANCE
SAFE DRINKING WATER LOAN PROGRAM
101 EAST WILSON STREET 10TH FLOOR
MADISON WI 53702-0004
or
PO BOX 7864
MADISON WI 53707-7864
- (b) DEPARTMENT OF NATURAL RESOURCES
BUREAU OF COMMUNITY FINANCIAL ASSISTANCE
101 SOUTH WEBSTER STREET
MADISON WI 53702-0005
or
PO BOX 7921
MADISON WI 53707-7921
- (c) US BANK CORP TRUST
MATTHEW HAMILTON EP-MN-WS3T
60 LIVINGSTON AVENUE
ST PAUL MN 55101-2292
- (d) CITY OF WAUKESHA
201 DELAFIELD STREET
WAUKESHA WI 53188

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent, by notice in writing given to the others. Any notice herein shall be delivered simultaneously to DNR and DOA.

Section 6.02. Binding Effect This FAA shall be for the benefit of, and shall be binding upon, the SDWLP and the Municipality and their respective successors and assigns.

Section 6.03. Severability In the event any provision of this FAA shall be held illegal, invalid, or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable, or otherwise affect any other provision hereof.

Section 6.04. Amendments, Supplements, and Modifications This FAA may be amended, supplemented, or modified to provide for additional loans for the Project by the SDWLP to the Municipality or for other purposes. All amendments, supplements, and modifications shall be in writing between the SDWLP, by DNR and DOA acting under authority of the Act, and the Municipality.

Section 6.05. Execution in Counterparts This FAA may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 6.06. Applicable Law This FAA shall be governed by and construed in accordance with the laws of the State, including the Act.

Section 6.07. Benefit of Financial Assistance Agreement This FAA is executed, among other reasons, to induce the purchase of the Municipal Obligations. Accordingly, all duties, covenants, obligations, and agreements of the Municipality herein contained are hereby declared to be for the benefit of, and are enforceable by, the SDWLP, its Trustee, or its authorized agent.

Section 6.08. Further Assurances The Municipality shall, at the request of DNR and DOA, authorize, execute, acknowledge, and deliver such further resolutions, conveyances, transfers, assurances, financing statements, and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning, and confirming the rights, security interests, and agreements granted or intended to be granted by this FAA and the Municipal Obligations.

Section 6.09. Assignment of Municipal Obligations The Municipality hereby agrees that the Municipal Obligations may be sold, transferred, pledged, or hypothecated to any third party without the consent of the Municipality.

Section 6.10. Covenant by Municipality as to Compliance with General Resolution The Municipality covenants and agrees that it shall comply with the provisions of the General Resolution with respect to the Municipality and that the Trustee and the owners of the Bonds shall have the power and authority provided in the General Resolution. The Municipality further agrees to aid in the furnishing to DNR, DOA, or the Trustee of opinions that may be required under the General Resolution.

Section 6.11. Termination This FAA may be terminated in whole or in part pursuant to one or more of the following:

- (a) The SDWLP and the Municipality may enter into an agreement to terminate this FAA at any time. The termination agreement shall establish the effective date of termination of this FAA, the basis for settlement of termination costs, and the amount and date of payment of any sums due either party.
- (b) If the Municipality wishes to unilaterally terminate all or any part of the Project work for which financial assistance has been awarded, the Municipality shall promptly give written notice to DNR. If the SDWLP determines that there is a reasonable basis for the requested termination, the SDWLP may enter into a termination agreement, including provisions for FAA termination costs, effective with the date of cessation of the Project work by the Municipality. If the SDWLP determines that the Municipality has ceased work on the Project without reasonable basis, the SDWLP may unilaterally terminate financial assistance or rescind this FAA.

Section 6.12. Rescission The SDWLP may rescind this FAA prior to the first disbursement of any funds hereunder if it determines that:

- (a) there has been substantial non-performance of the Project work by the recipient without justification under the circumstances;
- (b) there is substantial evidence this FAA was obtained by fraud;
- (c) there is substantial evidence of gross abuse or corrupt practices in the administration of the Project;
- (d) the Municipality has failed to comply with the covenants contained in this FAA; or
- (e) any of the representations of the Municipality contained in this FAA were false in any material respect.

IN WITNESS WHEREOF, the SDWLP and the Municipality have caused this FAA to be executed and delivered, as of the date and year first written above.

CITY OF WAUKESHA

By: Shawn N. Reilly
Shawn N. Reilly
Mayor

Attest: Gina L. Kozlik
Gina L. Kozlik
Clerk-Treasurer

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: [Signature]
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: Matthew H. Maren
Authorized Officer

EXHIBIT A
PROJECT BUDGET SHEET

CITY OF WAUKESHA
SDWLP Project No. 7000-03

	Total Project Costs	Ineligible and Not-EIF- Funded Costs	Net SDWLP Loan Amount
Force Account	350,905	53,527	297,378
Interim Financing	0	0	0
Preliminary Engineering	238,755	233,681	5,074
Land or Easement Acquisition	30	0	30
Engineering/Construction Mgmt.	227,461	4,675	222,786
Construction/Equipment	11,545,151	2,942,276	8,602,875
Contingency	29,705	8,801	20,904
Miscellaneous Costs	34,491	1,722	32,769
SDWLP Closing Costs	20,000	0	20,000
TOTAL	\$12,446,498	\$3,244,682	\$9,201,816

City of Waukesha, Wisconsin

Exhibit B-1

Project # 7000-03 Safe Drinking Water Loan Program

Loan Closing Date:

March 27, 2019

<u>Payment Date</u>	<u>Principal Payment</u>	<u>Interest Rate</u>	<u>Interest Payment</u>	<u>Principal & Interest</u>	<u>Bond Year Debt Service</u>	<u>Calendar Year Debt Service</u>
1-Nov-19		1.980%	108,305.37	108,305.37		108,305.37
1-May-20	403,630.08	1.980%	91,097.98	494,728.06	603,033.43	
1-Nov-20		1.980%	87,102.04	87,102.04		581,830.10
1-May-21	411,621.96	1.980%	87,102.04	498,724.00	585,826.04	
1-Nov-21		1.980%	83,026.98	83,026.98		581,750.98
1-May-22	419,772.07	1.980%	83,026.98	502,799.05	585,826.03	
1-Nov-22		1.980%	78,871.24	78,871.24		581,670.29
1-May-23	428,083.56	1.980%	78,871.24	506,954.80	585,826.04	
1-Nov-23		1.980%	74,633.21	74,633.21		581,588.01
1-May-24	436,559.61	1.980%	74,633.21	511,192.82	585,826.03	
1-Nov-24		1.980%	70,311.27	70,311.27		581,504.09
1-May-25	445,203.50	1.980%	70,311.27	515,514.77	585,826.04	
1-Nov-25		1.980%	65,903.76	65,903.76		581,418.53
1-May-26	454,018.52	1.980%	65,903.76	519,922.28	585,826.04	
1-Nov-26		1.980%	61,408.97	61,408.97		581,331.25
1-May-27	463,008.09	1.980%	61,408.97	524,417.06	585,826.03	
1-Nov-27		1.980%	56,825.19	56,825.19		581,242.25
1-May-28	472,175.65	1.980%	56,825.19	529,000.84	585,826.03	
1-Nov-28		1.980%	52,150.66	52,150.66		581,151.50
1-May-29	481,524.73	1.980%	52,150.66	533,675.39	585,826.05	
1-Nov-29		1.980%	47,383.56	47,383.56		581,058.95
1-May-30	491,058.92	1.980%	47,383.56	538,442.48	585,826.04	
1-Nov-30		1.980%	42,522.08	42,522.08		580,964.56
1-May-31	500,781.89	1.980%	42,522.08	543,303.97	585,826.05	
1-Nov-31		1.980%	37,564.34	37,564.34		580,868.31
1-May-32	510,697.37	1.980%	37,564.34	548,261.71	585,826.05	
1-Nov-32		1.980%	32,508.43	32,508.43		580,770.14
1-May-33	520,809.17	1.980%	32,508.43	553,317.60	585,826.03	
1-Nov-33		1.980%	27,352.42	27,352.42		580,670.02
1-May-34	531,121.20	1.980%	27,352.42	558,473.62	585,826.04	
1-Nov-34		1.980%	22,094.32	22,094.32		580,567.94
1-May-35	541,637.39	1.980%	22,094.32	563,731.71	585,826.03	
1-Nov-35		1.980%	16,732.11	16,732.11		580,463.82
1-May-36	552,361.82	1.980%	16,732.11	569,093.93	585,826.04	
1-Nov-36		1.980%	11,263.73	11,263.73		580,357.66
1-May-37	563,298.58	1.980%	11,263.73	574,562.31	585,826.04	
1-Nov-37		1.980%	5,687.07	5,687.07		580,249.38
1-May-38	574,451.89	1.980%	5,687.07	580,138.96	585,826.03	580,138.96

Totals	9,201,816.00		1,946,086.11	11,147,902.11	11,147,902.11	11,147,902.11
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Net Interest Rate	1.9800%
Bond Years	98,287.1748
Average Life	10.6813

The above schedule assumes full disbursement of the loan on the loan closing date.
15-Feb-19 Wisconsin Department of Administration

EXHIBIT C

FORM OF LOAN DISBURSEMENT TABLE

<u>Amount of Disbursement</u>	<u>Date of Disbursement</u>	<u>Series of Bonds</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____

EXHIBIT D

OPERATING CONTRACTS

As of the date of this FAA, the Municipality does not have any contracts with private entities or other governmental units to operate its Water System.

EXHIBIT E

**ENVIRONMENTAL IMPROVEMENT FUND
CONTRACT UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE)**

MANDATORY PROJECT CLOSEOUT DOCUMENT

Note: This form is authorized by s. NR 166.16(4)(b)4, Wis. Adm. Code. Receipt of this completed form by the Department is mandatory prior to receiving a final disbursement. The information printed on this form is taken from the completed Good Faith Certification Form 8700-294 and MBE/WBE Contacts Worksheet Form 8700-294A. Any changes or additions made to the list of prime contractors and DBE subcontractors during the construction must be reflected on this form at closeout. Personal information collected on this form will be used for program administration and must be made available to requesters as required by Wisconsin Open Records Law (ss. 19.31 – 19.39, Wis. Stats).

Municipality Name: City of Waukesha	Project Number: 7000-03	Loan/Grant Amount: \$9,201,816
Project Description: Upsize WMs on Les Paul, West, Glenwood, Main, Motor, Moreland		
Did the municipality satisfy the MBE/WBE requirements? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If no, refer to Exhibit F-Project Manager Summary Page).		

Construction/Equipment/Supplies Contracts	DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
Prime: Zignego Company	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input checked="" type="checkbox"/> Other <input type="checkbox"/> N/A	Construction	\$3,282,725	Municipality Completes at Project Closeout
Sub: Szada Trucking	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Trucking	\$1,000	
Sub: Crowley Construction	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Pavement Marking	\$39,594	
Sub: UPI	<input checked="" type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Pipe Installation	\$1,713,505	
Sub: Habermehl Electric	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Electrical	\$214,322	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime: Advance Construction	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Concrete	\$3,161,990	
Sub: Crowley Construction	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Pavement Marking	\$6,450	
Sub: Hard Rock Sawing	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Sawing	\$4,139	
Sub: Arrow-Crete	<input checked="" type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Concrete	\$78,452	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime: American Sewer Services	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	\$5,100,435	
Sub: Arrow-Crete	<input checked="" type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Concrete	\$25,000	
Sub: Crowley Corp	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Pavement Marking	\$5,000	
Sub: Con-Cor	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Sawing	\$23,654	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
				Total MBE \$ _____
				Total WBE \$ _____

Professional/Technical Services Contracts	DBE Type	Type of Product or Service	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
Prime: RA Smith National Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Design/Permitting	\$235,755	Municipality Completes at Project Closeout
Prime: AECOM Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A	Modeling	\$10,000	
Prime: Kunkel Engineering Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A	Inspection/D-B	\$177,884	
Prime: Giles Engineering Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A	Geotech	\$16,576	
Prime: Cedar Corp Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A	Surveying/D-B	\$26,000	
	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
			Total MBE \$	
			Total WBE \$	

*Type of Product or Service examples: landscaping, trucking, supplies, equipment, paving, concrete, plumbing, electrical, excavating, testing, design, etc.

Name of Person Completing This Form	Email Address	Phone Number
-------------------------------------	---------------	--------------

Certification	
I certify that, to the best of my knowledge and belief, the information provided on this form is complete and correct.	
Name/Title of Municipal Official	Signature
	Date Signed

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF WAUKESHA
SDWLP Project No. 7000-03

1. Project Description: This FAA combines two projects (7000-03 and 7000-04), both included on the state fiscal year 2019 SDWLP funding list, under one project number (7000-03). The combined Project includes the following components:
 - Watermain replacement and pavement restoration on North Moreland Boulevard from Summit Avenue to Michigan Avenue.
 - Watermain replacement and pavement restoration on West Avenue from Wisconsin Avenue to Glenwood, then west on Glenwood to the cul-de-sac, as well as watermain extension from the end of Glenwood under the river and across Grede Park to the intersection of Mountain Avenue and St. Paul Avenue.
 - Utility and street reconstruction on Motor Avenue and Fairview Avenue, including watermain replacement.
 - Utility and street reconstruction on Main Street from North Barstow Street to Lombardi Way, including watermain replacement and the addition of an underground crossing of the Canadian National Railroad.
 - Watermain replacement and upgrades with pavement restoration in and along Les Paul Parkway (STH 164/59) between East Broadway Street and Sunset Drive, and along East Broadway Street from Les Paul Parkway to Oriole Drive.
2. Ineligible Costs: Portions of the construction contracts for the above work included sanitary sewer and storm water pipe related work. These portions of the contracts are ineligible for SDWLP funding. Engineering costs and force account work associated with the sanitary and storm sewers are also ineligible for funding.

In addition to costs associated with construction and engineering contracts, miscellaneous costs for the Les Paul portion of the Project were identified as ineligible. These costs include administrative expenses, permit fees, and Redi-Mix costs related to ineligible construction work.

The total amount of costs ineligible for SDWLP funding and a breakout of ineligible costs by budget line item are included in Exhibit A of this FAA. If the Department identifies additional ineligible costs as the Project progresses, the Department will notify the Municipality.
3. Other Funding Sources: The Municipality is using municipal funds to cover the cost of ineligible items and activities.
4. Miscellaneous Costs: As shown in the Project Budget Sheet (Exhibit A), SDWLP funding in the amount of \$32,769 is included in the Miscellaneous category for:
 - ◆ Surveying and Permitting done by R.A. Smith - \$11,970
 - ◆ Administrative Expenses - \$350
 - ◆ Archaeological Services - \$14,151
 - ◆ Permit Fees - \$6,298

5. Contingency Allowance: The Contingency allowance of \$20,904 is included for eligible costs in change orders that were reviewed by the DNR construction management engineer (CME). The Municipality must receive CME approval of change orders prior to requesting reimbursement.

Zignego Company – Main Street Contract	CO No. 4	2,310
American Sewer Services – Moreland Blvd Contract	CO No. 1	7,800
American Sewer Services – Moreland Blvd Contract	CO No. 2	10,794

Total Contingency Allowance	\$20,904
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6. DBE Good Faith Effort: The Municipality made an overall good faith effort to obtain DBE participation in the Project through bid advertisements and requiring bidders to include information regarding their efforts to establish DBE subcontracts. Construction contracts for the Project include 12 DBE subcontracts totaling an estimated \$2,111,116. This total is made up of nine WBE subcontracts with a sum of \$294,159 and three MBE subcontracts with a sum of \$1,816,957.
7. Green Project Reserve: There are no GPR costs in the Project. The Project scope is mainly upsizing water mains in the City of Waukesha to allow the mains to handle the water pressure when the new water source begins to pump water through the mains.
8. Use of American Iron and Steel: This Project is subject to the Use of American Iron and Steel (UAIS) requirements mandated under EPA's Drinking Water State Revolving Fund program.
9. Federal Single Audit: This Project is being financed with federal funds and is subject to the Federal Single Audit requirements referenced in Section 5.21 of the FAA. If the Municipality receives more than \$750,000 of money that originates from any federal source in a calendar year, then it must commission a Federal Single Audit as part of its regular financial audit. The Federal Catalogue of Domestic Assistance number is 66.468 for water project disbursements funded with federal money.
10. Signage: The Municipality has multiple documents on its website, posted prior to construction of the Project and still available on the website at the time of preparation of this FAA, that include references to the fact that the Municipality planned to finance the Project through the Safe Drinking Water Loan Program.

EXHIBIT G

FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

**[Prepare on Municipal Letterhead at Project
Completion and Closeout]**

The undersigned officials of the City of Waukesha (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 7000-03 (the "Project"), the Municipality has met the prevailing wage rate requirements of the Davis-Bacon Act.

The Municipality further certifies that after taking into account any national or project-specific waivers approved by the U.S. Environmental Protection Agency, DNR Project No. 7000-03 has met the requirements for the Use of American Iron and Steel mandated under EPA's Drinking Water State Revolving Fund program.

The above certification is determined, after due and diligent investigation, to be true and accurate to the best of my knowledge.

By: _____
[Name of Municipal Official]
[Title]

Dated as of: _____

Attest: _____
[Name of Clerk or Secretary]
[Title]

Dated as of: _____

EXHIBIT H

LIST OF FEDERAL LAWS AND AUTHORITIES

ENVIRONMENTAL:

- Archaeological and Historic Preservation Act of 1974, PL 93-291
- Clean Air Act, 42 U.S.C. 7506(c)
- Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq.
- Coastal Zone Management Act of 1972, PL 92-583, as amended
- Endangered Species Act, 16 U.S.C. 1531 et seq.
- Executive Order 11593, Protection and Enhancement of the Cultural Environment
- Executive Order 11988, Floodplain Management
- Executive Order 11990, Protection of Wetlands
- Farmland Protection Policy Act, 7 U.S.C. 4201 et seq.
- Fish and Wildlife Coordination Act, PL 85-624, as amended
- National Historic Preservation Act of 1966, PL 89-665, as amended
- Safe Drinking Water Act, Section 1424(e), PL 92-523, as amended
- Wild and Scenic Rivers Act, PL 90-542, as amended

ECONOMIC:

- Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended
- Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants or Loans

SOCIAL LEGISLATION:

- Age Discrimination Act, PL 94-135
- Civil Rights Act of 1964, PL 88-352
- Section 13 of PL 92-500, Prohibition against sex discrimination under the Federal Water Pollution Control Act
- Executive Order 11246, Equal Employment Opportunity
- Executive Orders 11625, 12138 and 12432, Women and Minority Business Enterprise
- Rehabilitation Act of 1973, PL 93-112 (including Executive Orders 11914 and 11250)

MISCELLANEOUS AUTHORITY:

- Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646
- Executive Order 12549, Debarment and Suspension
- Federal Single Audit Act, OMB Circular A-133

REGISTERED
NO. 1

UNITED STATES OF AMERICA
STATE OF WISCONSIN
WAUKESHA COUNTY
CITY OF WAUKESHA

REGISTERED
\$9,201,816

WATERWORKS SYSTEM REVENUE BOND, SERIES 2019B

Final
Maturity Date

May 1, 2038

Date of
Original Issue

March 27, 2019

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN
PROGRAM

FOR VALUE RECEIVED the City of Waukesha, Waukesha County, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, solely from the fund hereinafter specified, the principal sum of an amount not to exceed NINE MILLION TWO HUNDRED ONE THOUSAND EIGHT HUNDRED SIXTEEN DOLLARS (\$9,201,816) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2020 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 1.980% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on November 1, 2019.

The principal amount evidenced by this Bond may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2020 in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at One and 980/1000ths percent (1.980%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Schedule A.

Both principal and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America. On the final maturity date, principal of this Bond shall be payable only upon presentation and surrender of this Bond at the office of the Municipal Treasurer. Principal hereof (except the final maturity) and interest hereon shall be payable by electronic transfer or by check or draft dated on or before the applicable payment date and mailed from the office of the Municipal Treasurer to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

The Bonds shall not be redeemable prior to their maturity, except with the consent of the registered owner.

This Bond is transferable only upon the books of the Municipality kept for that purpose at the office of the Municipal Treasurer, by the registered owner in person or its duly authorized attorney, upon surrender of this Bond, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Municipal Treasurer, duly executed by the registered owner or its duly authorized attorney. Thereupon a replacement Bond shall be issued to the transferee in exchange therefor. The Municipality may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes. This Bond is issuable solely as a negotiable, fully-registered bond, without coupons, and in denominations of \$0.01 or any integral multiple thereof.

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Waterworks System of the Municipality and refunding obligations of the Municipality issued for that purpose, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted March 19, 2019, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$9,201,816 Waterworks System Revenue Bonds, Series 2019B, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Waterworks System of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Waterworks System Revenue Bonds, Series 2013, dated May 22, 2013, and Waterworks System Revenue Bonds, Series 2018A, dated June 27, 2018, and senior to the Municipality's Waterworks System Revenue Bond Anticipation Note, Series 2018, dated April 2, 2018, as to the pledge of income and revenues of the Utility. This Bond does not constitute an indebtedness of said Municipality within the meaning of any constitutional or statutory debt limitation or provision.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said Municipality from the operation of its Utility has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by the signatures of its Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF WAUKESHA,
WISCONSIN

By: Shawn N. Reilly
Shawn N. Reilly
Mayor

SPECIMEN

By: Gina L. Kozlik
Gina L. Kozlik
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other identifying number of Assignee

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

Attorney to transfer said Bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

SPECIMEN

NOTICE: The signature of this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature(s) guaranteed by

SCHEDULE A

\$9,201,816

CITY OF WAUKESHA, WISCONSIN
WATERWORKS SYSTEM REVENUE BONDS, SERIES 2019B

<u>Amount of Disburse- ment</u>	<u>Date of Disbursement</u>	<u>Series of Bonds</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

SPECIMEN

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 2020	\$403,630.08
May 1, 2021	411,621.96
May 1, 2022	419,772.07
May 1, 2023	428,083.56
May 1, 2024	436,559.61
May 1, 2025	445,203.50
May 1, 2026	454,018.52
May 1, 2027	463,008.09
May 1, 2028	472,175.65
May 1, 2029	481,524.73
May 1, 2030	491,058.92
May 1, 2031	500,781.89
May 1, 2032	510,697.37
May 1, 2033	520,809.17
May 1, 2034	531,121.20
May 1, 2035	541,637.39
May 1, 2036	552,361.82
May 1, 2037	563,298.58
May 1, 2038	574,451.89

SPECIMEN

AFFIDAVIT OF PUBLICATION

State of Wisconsin Circuit Court Waukesha County

PROOF OF PUBLICATION

Telephone Number: 262-524-3500

ACCT Number: 633276

Account Name: Waukesha, City of
Address: Finance Department
201 Delafield Street
Waukesha WI 53187-0007

IN THE MATTER OF: Bonds Notice
AD Number: 103411015

AD Cost: 20.79

1110 53260

NOTICE

On March 19, 2019, a resolution was offered, adopted and approved by the City of Waukesha, Waukesha County, Wisconsin (the "Municipality"), whereby the Municipality authorized and directed the issuance and sale of up to \$9,201,816 Waterworks System Revenue Bonds, Series 2019B. The closing on these Bonds will be held on March 27, 2019. A copy of all proceedings had to date with respect to the authorization and sale of said Bonds is on file and may be examined in the office of the City Clerk.

This Notice is given pursuant to Section 893.77, Wisconsin Statutes, which provides that an action or proceeding to contest the validity of such municipal financing, for other than constitutional reasons, must be commenced within thirty (30) days after the date of publication of this Notice.

Dated: March 20, 2019.
CITY OF WAUKESHA,
WISCONSIN
Gina L. Kozlik,
City Clerk
Publish: March 22
WNAXLP

I, Charlotte Speener, being sworn, state:

I am the billing coordinator of the Waukesha Freeman, a public newspaper of general circulation, printed and published in the English language in the City of Waukesha, in Waukesha County, Wisconsin, and fully complying with the laws of Wisconsin relating to the publication of legal notices.

The notice, of which a printed copy attached hereto, is a true copy taken from the newspaper as published on the following dates.

3/22/19

Signed: Charlotte Speener

Charlotte Speener, Billing Coordinator

STATE OF WISCONSIN SS.
WAUKESHA COUNTY

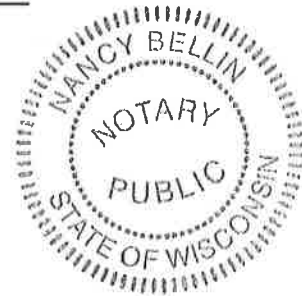
Personally came before me, this date of March 22, 2019
the above named Charlotte Speener to me known to be the person who executed
the foregoing instrument and acknowledged the same.

Signed: Nancy Bellin

Nancy Bellin

Notary Public, Wisconsin

My Commission expires: 10/4/22



A RESOLUTION
DECLARING OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR
WATER SUPPLY SYSTEM IMPROVEMENTS

WHEREAS, the City of Waukesha, Waukesha County, Wisconsin (the "Municipality") owns and operates a water supply system (the "System") as a public utility; and

WHEREAS, the Municipality plans to construct improvements to the water system on West Avenue to Glenwood, and on Glenwood under the River to Mountain Avenue as a subset of Project 7000-00 as described in its Safe Drinking Water Fund Intent to Apply and assigned job number GLC-D0008 by the Utility (the "Project"); and

WHEREAS, the Utility plans to construct these improvements with a low interest Safe Drinking Water Loan Program (SDWLP) loan; and

WHEREAS, these improvements may need to proceed with construction prior to receipt of the actual SDWLP loan due to the desire of the City and other users to expedite the project; and

WHEREAS, the City wishes to document its intent to use the SDWLP loan as a refinancing tool for expenditures that may be made before SDWLP loan closing; and

WHEREAS, the Municipality expects to receive the loan (the "Loan") from the State of Wisconsin Safe Drinking Water Loan Program (the "Program") to finance the Project and expects to issue tax-exempt bonds (the "Bonds") to the Program in evidence of the Loan; and

WHEREAS, because the Loan will not become available prior to April 6, 2017 the Municipality must provide interim financing to cover costs of the Project incurred prior to receipt of the Loan; and

WHEREAS, it is necessary, desirable, and in the best interest of the Municipality to advance monies from its funds on hand on an interim basis until the Loan becomes available and the Bonds can be issued.

NOW, THEREFORE, BE IT RESOLVED by the City of Waukesha, Waukesha County, Wisconsin, that:

Section 1. Expenditure of Funds. The Municipality shall make expenditures as needed from funds on hand and possibly a "Note Anticipation Note" to pay the costs of planning, engineering and construction of these improvements until the SDWLP proceeds become available.

Section 2. Declaration of Official Intent. The Municipality hereby officially declares its intent under 26 CFR Section 1.103-18 to reimburse said expenditures with proceeds of the loans, the aggregate principal amounts of debt expected not to exceed \$1,924,600.

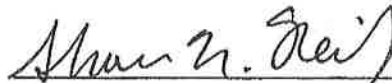
Section 3. Unavailability of Long-Term Funds. No funds for payment of the Project from sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Municipality pursuant to its budget or financial policies.


Section 4. Public Availability of Official Intent Resolution. This Resolution shall be made available for public inspection at the Municipal Clerk's office within thirty days after its approval in compliance with applicable State law governing the availability of records of official acts including subchapter II of Chapter 19, and shall remain available for public inspection until the Loan is issued.

Section 5. Effective Date. This Resolution shall be effective upon its adoption and approval.

Adopted and recorded April 6, 2017

Approved April 6, 2017


Shawn Reilly, Mayor


Gina Kozlik, City Clerk

(SEAL)

ATTEST:



A RESOLUTION
DECLARING OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR
WATER SUPPLY SYSTEM IMPROVEMENTS

WHEREAS, the City of Waukesha, Waukesha County, Wisconsin (the "Municipality") owns and operates a water supply system (the "System") as a public utility; and

WHEREAS, the Municipality plans to construct improvements to the water system on Main Street, from N. Barstow Street to Lombardi Way, as a subset of Project 7000-00 as described in its Safe Drinking Water Fund Intent to Apply and assigned job number GLC-D0007 by the Utility (the "Project"); and

WHEREAS, the Utility plans to construct these improvements with a low interest Safe Drinking Water Loan Program (SDWLP) loan; and

WHEREAS, these improvements may need to proceed with construction prior to receipt of the actual SDWLP loan due to the desire of the City and other users to expedite the project; and

WHEREAS, the City wishes to document its intent to use the SDWLP loan as a refinancing tool for expenditures that may be made before SDWLP loan closing; and

WHEREAS, the Municipality expects to receive the loan (the "Loan") from the State of Wisconsin Safe Drinking Water Loan Program (the "Program") to finance the Project and expects to issue tax-exempt bonds (the "Bonds") to the Program in evidence of the Loan; and

WHEREAS, because the Loan will not become available prior to June 30, 2018 the Municipality must provide interim financing to cover costs of the Project incurred prior to receipt of the Loan; and

WHEREAS, it is necessary, desirable, and in the best interest of the Municipality to advance monies from its funds on hand on an interim basis until the Loan becomes available and the Bonds can be issued.

NOW, THEREFORE, BE IT RESOLVED by the City of Waukesha, Waukesha County, Wisconsin, that:

Section 1. Expenditure of Funds. The Municipality shall make expenditures as needed from funds on hand and possibly a "Bond Anticipation Note" to pay the costs of planning, engineering and construction of these improvements until the SDWLP proceeds become available.

Section 2. Declaration of Official Intent. The Municipality hereby officially declares its intent under 26 CFR Section 1.103-18 to reimburse said expenditures with proceeds of the loans, the aggregate principal amounts of debt expected not to exceed \$1,936,574.

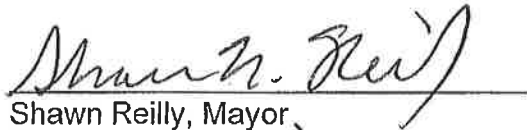
Section 3. Unavailability of Long-Term Funds. No funds for payment of the Project from sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Municipality pursuant to its budget or financial policies.

Section 4. Public Availability of Official Intent Resolution. This Resolution shall be made available for public inspection at the Municipal Clerk's office within thirty days after its approval in compliance with applicable State law governing the availability of records of official acts including subchapter II of Chapter 19, and shall remain available for public inspection until the Loan is issued.

Section 5. Effective Date. This Resolution shall be effective upon its adoption and approval.

Adopted and recorded June 19, 2018

Approved June 19, 2018


Shawn Reilly, Mayor


Gina Kozlik, City Clerk

(SEAL)

ATTEST:



A RESOLUTION
DECLARING OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR
WATER SUPPLY SYSTEM IMPROVEMENTS

WHEREAS, the City of Waukesha, Waukesha County, Wisconsin (the "Municipality") owns and operates a water supply system (the "System") as a public utility; and

WHEREAS, the Municipality plans to construct improvements to the water system on N. Moreland Boulevard, from Michigan Avenue to Summit Avenue, as a subset of Project 7000-00 as described in its Safe Drinking Water Fund Intent to Apply and assigned job number GLC-D0009 by the Utility (the "Project"); and

WHEREAS, the Utility plans to construct these improvements with a low interest Safe Drinking Water Loan Program (SDWLP) loan; and

WHEREAS, these improvements may need to proceed with construction prior to receipt of the actual SDWLP loan due to the desire of the City and other users to expedite the project; and

WHEREAS, the City wishes to document its intent to use the SDWLP loan as a refinancing tool for expenditures that may be made before SDWLP loan closing; and

WHEREAS, the Municipality expects to receive the loan (the "Loan") from the State of Wisconsin Safe Drinking Water Loan Program (the "Program") to finance the Project and expects to issue tax-exempt bonds (the "Bonds") to the Program in evidence of the Loan; and

WHEREAS, because the Loan will not become available prior to June 30, 2018 the Municipality must provide interim financing to cover costs of the Project incurred prior to receipt of the Loan; and

WHEREAS, it is necessary, desirable, and in the best interest of the Municipality to advance monies from its funds on hand on an interim basis until the Loan becomes available and the Bonds can be issued.

NOW, THEREFORE, BE IT RESOLVED by the City of Waukesha, Waukesha County, Wisconsin, that:

Section 1. Expenditure of Funds. The Municipality shall make expenditures as needed from funds on hand and possibly a "Bond Anticipation Note" to pay the costs of planning, engineering and construction of these improvements until the SDWLP proceeds become available.

Section 2. Declaration of Official Intent. The Municipality hereby officially declares its intent under 26 CFR Section 1.103-18 to reimburse said expenditures with proceeds of the loans, the aggregate principal amounts of debt expected not to exceed \$1,266,001.

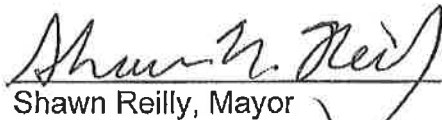
Section 3. Unavailability of Long-Term Funds. No funds for payment of the Project from sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Municipality pursuant to its budget or financial policies.

Section 4. Public Availability of Official Intent Resolution. This Resolution shall be made available for public inspection at the Municipal Clerk's office within thirty days after its approval in compliance with applicable State law governing the availability of records of official acts including subchapter II of Chapter 19, and shall remain available for public inspection until the Loan is issued.

Section 5. Effective Date. This Resolution shall be effective upon its adoption and approval.

Adopted and recorded June 19, 2018

Approved June 19, 2018


Shawn Reilly, Mayor

(SEAL)

ATTEST:


Gina Kozlik, City Clerk



A RESOLUTION
DECLARING OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR
WATER SUPPLY SYSTEM IMPROVEMENTS

WHEREAS, the City of Waukesha, Waukesha County, Wisconsin (the "Municipality") owns and operates a water supply system (the "System") as a public utility; and

WHEREAS, the Municipality plans to construct improvements to the water system on Motor Avenue, from Fairview Avenue to Mountain Avenue, as a subset of Project 7000-00 as described in its Safe Drinking Water Fund Intent to Apply and assigned job number GLC-D0010 by the Utility(the "Project"); and

WHEREAS, the Utility plans to construct these improvements with a low interest Safe Drinking Water Loan Program (SDWLP) loan; and

WHEREAS, these improvements may need to proceed with construction prior to receipt of the actual SDWLP loan due to the desire of the City and other users to expedite the project; and

WHEREAS, the City wishes to document its intent to use the SDWLP loan as a refinancing tool for expenditures that may be made before SDWLP loan closing; and

WHEREAS, the Municipality expects to receive the loan (the "Loan") from the State of Wisconsin Safe Drinking Water Loan Program (the "Program") to finance the Project and expects to issue tax-exempt bonds (the "Bonds") to the Program in evidence of the Loan; and

WHEREAS, because the Loan will not become available prior to June 30, 2018 the Municipality must provide interim financing to cover costs of the Project incurred prior to receipt of the Loan; and

WHEREAS, it is necessary, desirable, and in the best interest of the Municipality to advance monies from its funds on hand on an interim basis until the Loan becomes available and the Bonds can be issued.

NOW, THEREFORE, BE IT RESOLVED by the City of Waukesha, Waukesha County, Wisconsin, that:

Section 1. Expenditure of Funds. The Municipality shall make expenditures as needed from funds on hand and possibly a "Bond Anticipation Note" to pay the costs of planning, engineering and construction of these improvements until the SDWLP proceeds become available.

Section 2. Declaration of Official Intent. The Municipality hereby officially declares its intent under 26 CFR Section 1.103-18 to reimburse said expenditures with proceeds of the loans, the aggregate principal amounts of debt expected not to exceed \$798,672.


Section 3. Unavailability of Long-Term Funds. No funds for payment of the Project from sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Municipality pursuant to its budget or financial policies.

Section 4. Public Availability of Official Intent Resolution. This Resolution shall be made available for public inspection at the Municipal Clerk's office within thirty days after its approval in compliance with applicable State law governing the availability of records of official acts including subchapter II of Chapter 19, and shall remain available for public inspection until the Loan is issued.

Section 5. Effective Date. This Resolution shall be effective upon its adoption and approval.

Adopted and recorded June 19, 2018

Approved June 19, 2018


Shawn Reilly, Mayor


Gina Kozlik, City Clerk

(SEAL)

ATTEST:

